

30.24-1171

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THIS UNEXPECTED TURN IN THE EUROPEAN PICTURE MAY HAVE AN IMPORTANT EFFECT UPON CHAMBERLAIN'S TALKS JANUARY 11-14 WITH PREMIER MUSSOLINI IN ROME.

UNDER THE ANGLO-GERMAN NAVAL TREATY, GERMANY AGREED TO RESTRICT HERSELF TO 35 PER CENT OF BRITISH TONNAGE IN EVERY CATEGORY BUT SUBMARINES. SHE AGREED TO LIMIT HER U-BOAT STRENGTH TO 45 PER CENT OF BRITAIN'S. BUT IT WAS FURTHER AGREED THAT GERMANY HAD THE RIGHT, IF SHE DEEMED IT NECESSARY, TO BUILD UP TO THE FULL BRITISH SUBMARINE TONNAGE AFTER "FRIENDLY DISCUSSION" BETWEEN THE TWO COUNTRIES.

BRITAIN HAS BEEN TRYING, APPARENTLY IN VAIN, TO PERSUADE GERMANY THERE IS NO IMPERATIVE NEED FOR HER TO BUILD A VAST SUBMARINE FLEET, WHILE BERLIN HAS HELD OUT "THE SOVIET THREAT" AS JUSTIFICATION.

GERMANY WAS EXPECTED TO GO AHEAD REGARDLESS OF THE BRITISH ATTITUDE, BUT AT THE SAME TIME SHE WAS UNDERSTOOD TO BE ANXIOUS NOT TO SHATTER HER NAVAL TREATY WITH BRITAIN.

SHE WOULD BE IN A HOPELESS POSITION IN AN ATTEMPT TO OVERTAKE BRITAIN IN CAPITAL SHIPS BECAUSE OF HER LACK OF FOREIGN CURRENCY AND RAW MATERIALS.

JAN 1 1939

SECOND NIGHT LEAD EUROPEAN ROUNDUP

BY J.C. STARK

JAN 2 1939

LONDON, JAN. 1-(SUNDAY)-(AP)-EUROPE TURNED ITS BACK ON A TROUBLE-CROWDED YEAR WHICH BROUGHT IT NEAR WAR AND GREETED 1939 TODAY WITH HOPES THAT PEACE WOULD SURVIVE NEW PERILS ALREADY EVIDENT.

FOR THE OLD WORLD IT WAS AN IMINOUS NEW YEAR WHICH MAY SETTLE THE IDEOLOGICAL CONFLICT BETWEEN DEMOCRACIES AND DICTATORS.

WHETHER THAT SETTLEMENT COULD BE ACHIEVED WITHOUT WAR WAS A QUESTION WHICH TROUBLED MILLIONS THE WORLD OVER.

THERE SEEMED TO BE GENERAL AGREEMENT AMONG EUROPEAN CHANCELLERIES THAT NEW PERILS LAY AHEAD AND 1939 MIGHT PROVE DECISIVE.

ONE BRITISH OFFICIAL IN PREDICTING ANOTHER CRITICAL YEAR SAID:

"IF WE CAN GET THROUGH 1939 WITHOUT WAR, I THINK THE DANGER WILL BE

OVER FOR SEVERAL YEARS."

REICHSPUEHRER ADOLF HITLER, WHOSE 1938 TRIUMPHS WERE RESPONSIBLE FOR EUROPE'S MAJOR CRISES, GAVE ONE HOPEFUL AND ONE DISTURBING POINTER AT THE OLD YEAR'S END:

JAN 2 1939

"WE HAVE ONLY ONE WISH THAT WE MAY SUCCEED ALSO IN THE COMING YEAR TO CONTRIBUTE TO GENERAL APPEASEMENT OF THE WORLD."

BUT LESS REASSURING WAS GERMANY'S SURPRISE NOTICE TO GREAT BRITAIN THAT SHE WOULD TAKE ADVANTAGE OF AN ESCAPE CLAUSE IN THE 1935 ANGLO-GERMAN NAVAL AGREEMENT TO BUILD A SUBMARINE FLEET EQUAL TO BRITAIN'S AS A COMPLEMENT TO HER POWERFUL ARMY AND AIR FORCES. UNDER THE TREATY SHE HAD UNDERTAKEN A 45-100 SUBMARINE TONNAGE RATIO.

IN ITALY, GERMANY'S AXIS ALLY, THE FASCIST PRESS MEANWHILE MODERATED THE BITTER ANTI-FRENCH CAMPAIGN IN WHICH NEW TERRITORIAL DEMANDS IN THE MEDITERRANEAN AND NORTH AFRICA HAD BEEN RAISED.

AMID THE ITALIAN AGITATION, PRIME MINISTER NEVILLE CHAMBERLAIN PLANNED HIS FIRST APPEASEMENT TRIP OF 1939--A VISIT JAN. 11-14 IN ROME--WITH DIMINISHED OPTIMISM AND AN ANNOUNCED DETERMINATION NOT TO "MAKE ANY CONCESSIONS TO FORCE."

HIS FRIEND, PREMIER EDOUARD DALADIER OF FRANCE, WILL OPEN THE NEW YEAR WITH A TRIP TO CORSICA AND TUNISIA TO REASSURE THE FRENCH THAT THEIR NATION WILL NOT YIELD TO ITALY'S CLAIMS.

THE END OF 1938 SAW ALSO THESE DISTURBING FACTORS IN A TROUBLED WORLD:

WARS STILL RAGED IN CHINA AND SPAIN, WITH SIGNS LACKING OF AN EARLY TRUCE IN EITHER.

GERMANY'S RELATIONS WITH BOTH THE UNITED STATES AND BRITAIN WERE STRAINED SEVERELY.

PALESTINE WAS SUFFERING FROM A BITTER ARAB-JEWISH CONFLICT.

SEVERAL HUNDRED THOUSANDS OF JEWS IN GERMANY FEARED FURTHER PERSECUTION BY THE NAZIS WHILE OTHER NATIONS SOUGHT TO RELIEVE THEIR FLIGHT.

GERMANY'S ECONOMIC AND POLITICAL PENETRATION IN SOUTHEASTERN EUROPE SPURRED DISCONTENT WHICH SIGNIFIED TO SOME A NAZI PUSH TOWARD RUMANIA AND THE POLISH AND SOVIET-RUSSIAN UKRAINES.

HITLER DOMINATED EUROPEAN AFFAIRS IN 1938 AND WAS EXPECTED TO DO SO IN 1939.

BUT SOME OBSERVERS BELIEVED THE "AGGRESSIVE NATIONS" WOULD TRY TO REDUCE THE RISKS INVOLVED IN THEIR EXPANSION POLICIES.

THEY BASED THIS BELIEF ON TWO THINGS--CHAMBERLAIN'S PLEDGE THAT THE BRITISH WERE PREPARED "TO DISCHARGE OUR OBLIGATIONS TO OUR ALLIES, THE EMPIRE AND OURSELVES," AND REARMAMENT AND A MORE ACTIVE FOREIGN POLICY IN THE UNITED STATES.

HUNGARY MAY QUIT LEAGUE

Hint Is Dropped by Count Csaky in New Year's Article

BUDAPEST, Hungary, Dec. 31 (AP).—A hint that Hungary may soon leave the League of Nations was made today by Foreign Minister Count Stephen Csaky in the authoritative newspaper Pester Lloyd. "Hungary appreciates the value of the anti-Communist pact (link-

ing Hungary's good friends Germany and Italy with Japan), and regards it highly," he wrote in a New Year's article. "But Hungary is obliged to observe with regret that in the last decade the League of Nations has been in steady decline. We know that the anti-Communist pact and the League present opposing world ideologies and that one cannot at one time make concessions to the contradicting faiths."

THE HUNGARIAN GOVERNMENT, MEANWHILE, PROTESTED IN PRAGUE AGAINST WHAT IT CALLED HOSTILE PROPAGANDA AND DEMANDED THROUGH DIPLOMATIC CHANNELS THAT THE SLOVAK AND CZECH PRESS AND RADIO PROPAGANDA, WHICH BUDAPEST CHARGED WERE DESIGNED TO CAUSE DISSATISFACTION IN REGIONS ANNEXED LAST MONTH BY HUNGARY, CEASE AT ONCE. JAN 1 1939

HUNGARY ATTRIBUTED SEVERAL UNPLEASANT BORDER DISORDERS TO A STUDIED SLOVAK CAMPAIGN FOR RECOVERY OF SOME TERRITORY LOST TO HUNGARY.

COUNT CSAKY GAVE RENEWED EMPHASIS TO HUNGARY'S ADMIRATION FOR THE HOME-BERLIN AXIS AND SAID ANY DIFFERENCES WITH THE PARTNERS OF THE

AXIS (APPARENTLY AN ALLUSION TO OCCASIONAL FRICTION WITH GERMANY) WERE OF A TRIFLING NATURE.

"THE IDEOLOGICAL STRENGTH OF THE (GERMAN-ITALIAN) PARTNERSHIP IS SO GREAT IT COMPENSATES FOR ANY EVENTUAL INFERIORITY IN MATERIAL RESOURCES," CSAKY WROTE.

HUNGARY JOINED THE LEAGUE IN 1922 AND RECEIVED LOANS WHICH HAVE NOT BEEN REPAYED. ITS EXPERIENCES AS A LEAGUE MEMBER HAVE BEEN UNSATISFACTORY FROM THE HUNGARIAN POINT OF VIEW.

THE GREATEST SOURCE OF HUNGARIAN EMBARRASSMENT AT GENEVA WAS THE FACT THE LEAGUE INSISTED ON THE PRESERVATION OF THE STATUS QUO IN EUROPE, WHILE THE FIRST OBJECT OF THE HUNGARIAN FOREIGN POLICY AFTER THE WORLD WAR WAS TO RECOVER LOST TERRITORY. JAN 1 1939

BUDAPEST REGARDED SUSPICIOUSLY A SURPRISE CENSUS BEING TAKEN TODAY IN SLOVAKIA. OFFICIALS HERE BELIEVED THE CENSUS, ORDERED WITHOUT PREVIOUS WARNING AND TAKEN BY DISTRICT POLITICAL LEADERS, MIGHT GIVE A FALSE IMPRESSION OF THE CHARACTER OF THE POPULATION IN SLOVAKIA NEAR THE HUNGARIAN BORDER.

IT WAS CHARGED THAT IN THE PREVIOUS SLOVAK CENSUS IN 1930 THOUSANDS OF HUNGARIANS WERE LISTED AS SLOVAKS.

EVER SINCE THE SLOVAK-HUNGARIAN BORDER WAS FIXED BY ITALIAN AND GERMAN FOREIGN MINISTERS AT VIENNA NOV. 2 THERE HAVE BEEN DISPUTES ALONG THE FRONTIER.

PRAGUE, DEC. 31-(AP)—ONE OF THE WORLD'S OLDEST NEWSPAPERS, THE CZECH PRAZSKE NOVINY, WHICH BOASTED AN AGE OF 259 YEARS, DISAPPEARED TONIGHT IN THE SWELL OF CHANGE WHICH HIT CZECHO-SLOVAKIA AFTER THE MUNICH SETTLEMENT. JAN 1 1939 +53.33

TO THE GRAVE WITH IT WENT THE ORGAN OF THE CZECH SOCIAL DEMOCRAT PARTY, PRAVO LIDU; THE 111-YEAR-OLD GERMAN-LANGUAGE PAPER BOHEMIA AND THE PRAGER PRESSE, FOUNDED IN 1921 BY THE FOUNDER OF THE CZECHO-

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30.24-1173
SLOVAK REPUBLIC, THE LATE THOMAS G. MASARYK. OTHERS ARE SCHEDULED TO DISAPPEAR IN 1939.

JAN 1 1939

JG343PES

RUSSIA REMAINS FIRM AGAINST ITALY AND GERMANY (750)

JAN 1 1939

BY WADE WERNER

(ADVANCE) MOSCOW--(CORRESPONDENCE OF THE ASSOCIATED PRESS)--IN A SITUATION OF LOFTY LONELINESS, THE SOVIET UNION CONTINUES TO STAND FIRM AGAINST THE WIDESPREAD TENDENCY OF EUROPEAN GOVERNMENTS TO SEEK SOME KIND OF AN UNDERSTANDING WITH THE FASCIST POWERS.

SOVIET SPOKESMEN POINT OUT THAT IT WOULD BE INCORRECT TO SAY THAT THE USSR IS ISOLATED AS A RESULT OF THE MUNICH AGREEMENT, OR THAT IT PLANS TO TURN ITS BACK ON EUROPE AND LEAVE THE WESTERN DEMOCRACIES TO THE MERCY OF HITLER AND MUSSOLINI.

SOVIET POLICY, THEY INSIST, HAS NOT CHANGED. WHAT HAS CHANGED IS THE FOREIGN POLICIES OF ENGLAND AND FRANCE, OF CZECHOSLOVAKIA AND SOME OTHER SMALL COUNTRIES, TOO.

THE USSR MUST ADAPT ITSELF TO THE NEW SITUATION, BUT ITS FOREIGN POLICY REMAINS AS BEFORE THE FURTHERANCE OF PEACE THROUGH PROMOTION OF COLLECTIVE RESISTANCE AGAINST AGGRESSORS.

LONELY AS THAT POSITION MAY BE AT THE MOMENT, IT IS NOT INTERPRETED HERE AS ISOLATION. AS THE GOVERNMENT MOUTHPIECE, IZVESTIA, PUTS IT:

"IT IS IMPOSSIBLE TO ISOLATE THE SOVIET UNION FROM EUROPE. THE BOURGEOIS GOVERNMENTS MAY ISOLATE THEMSELVES FROM THE AID OF THE SOVIET UNION, AND CONSENT TO WORSHIP THE FASCIST AGGRESSORS. BUT IT IS IMPOSSIBLE TO ISOLATE EUROPEAN DEMOCRACY FROM A COUNTRY

30.24-1173
WHICH IS THE LIGHTHOUSE OF THOSE WHO LONG FOR PEACE AND INDEPENDENCE."

SIMILAR SENTIMENTS ARE EXPRESSED BY OTHER SOVIET NEWSPAPERS, WHICH ALSO GAVE HIGH PROMINENCE TO A STATEMENT BY THE NOVELIST LION FEUCHTWANGER TO THE EFFECT THAT "INTELLECTUALS THROUGHOUT THE WORLD TURN THEIR EYES TOWARD THE SOVIET UNION AS THE ONLY BULWARK OF CIVILIZATION AGAINST FASCISM AND BARBARISM."

THE COMINTERN'S 1938 APPEAL TO WORKERS OF THE WORLD PICTURED THE TOILING MASSES OF ALL COUNTRIES AS LOOKING TO THE USSR AS "THE INCARNATION OF THEIR HOPES."

"ONLY THE SOVIET PEOPLE HAVE SUPPORTED AND ARE SUPPORTING THE HEROIC SPANISH PEOPLE AGAINST THE VIOLENCE OF INVADERS AND THE TREASON OF THEIR ADHERENTS. ONLY THE SOVIET UNION IS STRETCHING OUT ITS HAND TO HELP THE CHINESE PEOPLE."

AS FOR THE PRESENT GOVERNMENTS OF THE WESTERN DEMOCRACIES, THEY ARE NOT ONLY NOT RESISTING THE AGGRESSORS, BUT IN SOME CASES ACTUALLY ENCOURAGING THEM.

JAN 1 1939

THE COMINTERN'S SECRETARY-GENERAL, GEORGE DIMITROFF, IN HIS MESSAGE TO THE WORLD'S WORKERS, SAID GERMANY WAS PLANNING TO ATTACK THE SOVIET UNION IN 1941, AND THE SOVIET PRESS LATELY HAS ASSERTED RATHER FREQUENTLY THAT "REACTIONARY POWERS WITHIN THE DEMOCRATIC COUNTRIES ARE NOT OPPOSED TO LETTING THE AGGRESSORS ATTACK THE SOVIET UNION--HOPING IN THIS WAY TO SECURE A TRUCE FOR THEMSELVES."

ONE NEWSPAPER, THE RED GAZETTE OF LENINGRAD, EVEN WENT SO FAR AS TO ACCUSE THE CHAMBERLAIN GOVERNMENT SPECIFICALLY OF PLOTTING TO INCITE GERMANY AND JAPAN TO MAKE WAR AGAINST THE USSR, IN ORDER TO WEAKEN THE FIRST TWO POWERS AS RIVALS OF BRITISH IMPERIALISM AND AT

THE SAME TIME TO CRIPPLE THE SOVIET UNION IN ITS FIGHT AGAINST THE CAPITALISTIC SYSTEM.

MOSCOW, HOWEVER, DOES NOT LOOK UPON THE PRESENT GOVERNMENTS OF THE WESTERN DEMOCRACIES AS PERMANENT.

IN ITS 1938 APPEAL THE COMINTERN POINTS THE WAY TO A CHANGED SITUATION IN WHICH THE DEMOCRACIES WOULD LINE UP WITH SOVIET RUSSIA IN A SOLID FRONT AGAINST FASCISM.

JAN 1 1939

"IT IS IMPOSSIBLE," SAYS THE APPEAL, "TO FIGHT SUCCESSFULLY FOR PEACE WITHOUT ADMINISTERING MERCILESS BLOWS AGAINST TRAITORS TO COUNTRY AND PEOPLE. IT IS IMPOSSIBLE TO HALT THE FASCIST AGGRESSORS WITHOUT A DECISIVE STRUGGLE AGAINST CAPITULATORS IN ONE'S OWN COUNTRY. THE PEOPLE CANNOT TRUST THE FATE OF THEIR COUNTRY TO A GOVERNMENT CONSPIRING WITH FOREIGN FASCISM."

REMOVAL OF SUCH "GOVERNMENTS OF NATIONAL TREASON AND SHAME" AND THE SETTING UP OF ANTI-FASCIST GOVERNMENTS IS A PREREQUISITE, SAYS THE APPEAL, FOR A "SUCCESSFUL STRUGGLE IN THE CAUSE OF PEACE."

DIMITROFF, IN HIS APPEAL, URGES EVEN MORE ENERGETICALLY THE ELIMINATION OF REACTIONARY ELEMENTS IN THE WORKER'S OWN COUNTRY.

"THE AGENTS OF INTERNAL REACTION AS WELL AS OF FASCIST AGGRESSION MUST BE MERCILESSLY EXPOSED AND DESTROYED."

MOSCOW FEELS IT CAN AFFORD TO AVAIT DEVELOPMENTS IN THE COUNTRIES WHOSE GOVERNMENTS CAME TO TERMS WITH HITLER OVER CZECHOSLOVAKIA. MEANWHILE "IN STALINIST STYLE THE COUNTRY OF PROLETARIAN DICTATORSHIP IS DEFENDING THE CAUSE OF FREEDOM ALL OVER THE WORLD."

(END SUNDAY ADVANCE, SENT DEC 24)

P212AES

GOEBBELS URGES ACTION TO AID JEWS

Calls For International Effort To Solve Problem, But Gives No Program

Says There Will Be No Compromise By German Government

JAN 2 1939

[By the Associated Press]

Berlin, Jan. 1 — Dr. Paul Joseph Goebbels, Propaganda Minister, in an article in *Zwölf-Uhr Blatt*, to be published tomorrow morning, called for an international solution of the Jewish problem, but failed to lay down a program in that direction.

Dr. Goebbels' article came as Germany, flushed by 1938 accomplishments, began a new year keyed up to new and greater sacrifices.

"International Jewry in the world must know that it cannot divert us from our resolution by loud outcries, by boycotts, by spiritual or political terror," wrote Dr. Goebbels in an introduction to the newspaper's symposium on the Jewish issue.

Solution Rests With Future

"Of course we believe that the Jew problem must be solved internationally. When and how that is to be done is a question of the future."

Stating that the National Socialist "no compromise" stand on Jewry is "unequivocally laid down," Dr. Goebbels continued:

"It is a problem we in Germany will solve as Germans, in the way the German people want, and corresponding to its sound conceptions.

"We are convinced that it is indispensable for the vigor and strength of the nation that we fight against the parasitic race."

No Desire To Convert Others

"If other peoples do not want to undergo this regeneration, that is their affair. We have no intention of converting them to our view."

Germany's Jews, nearly 1 million in number, started the new year in the same circumstances.

With the "full Aryanaization" of German economy in effect today, the German Jews were hard pressed to eke out a living.

Emigration, meanwhile, in the face of the Nazi aim to drive all but elderly Hebrews from the Reich, has bogged down in a jam of applications at consulates for an opportunity to start life anew in foreign countries, and in the problem of financing the wanted wholesale exodus.

Many Attempt To Flee

Driven to desperation, many Jews have been attempting to slip across the borders during the Christmas holidays. An indefinite number attempted to cross into the Netherlands in the belief there would be fewer frontier guards there. They found the border patrol strengthened, however.

A few Jews did cross into Switzerland on Saturday, a strenuous undertaking which requires at least twenty-four hours.

Coughlin Calls on U. S. To Shun Europe's Strife

Predicting War, He Urges America Stay Aloof

DETROIT, Jan. 1 (AP).—The Rev. Charles E. Coughlin, predicting a European war by 1940, urged in a radio broadcast today that the United States "stand aloof."

"On every hand nations are either at war," the Royal Oak (Mich.) priest asserted, "or are busy arming against the inevitable day when Communism and Nazism meet in a combat unto death."

"Spokesmen, both official and unofficial, in our own country are intimating that we must prepare to take sides in this impending struggle. . . . Propagandists in other neutral nations are bending every effort to have their governments commit themselves to one side or the other."

"Possibly—yes, probably—Europe will be in war by 1940. The forces of Nazism and Communism will clash in mortal combat. America must stand aloof!"

BERLIN, JAN. 1—(AP)—GERMANY, INTOXICATED BY NAZI TOASTS TO 1938 ACCOMPLISHMENTS, STEPPED INTO THE NEW YEAR KEYED UP BY NAZI LEADERS' CALLS FOR GREATER SACRIFICES AND GREATER EFFORTS BY EVERYONE.

THE LEADERS IN MESSAGES YESTERDAY OUTLINED A BROAD, GENERAL PROGRAM FOR 1939—THE BUILDING UP OF THE ARMY, NAVY AND ECONOMIC STRUCTURE OF THE COUNTRY AND THE SOLUTION OF FURTHER "HISTORICAL PROBLEMS."

JAN 2 1939

ALONG THIS LINE THE INFLUENTIAL NEWSPAPER FRANKFURTER ZEITUNG SAID TODAY:

"EVERYONE KNOWS AND SEES THAT THE NATIONAL SOCIALIST (NAZI) PROGRAM

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WHICH ADOLF HITLER CONCEIVED IN THE HARDEST YEARS OF HIS STRUGGLE WILL BE FULFILLED IN EVERY SINGLE DETAIL.

"WE KNOW THAT NATIONAL SOCIALISM AND COMPROMISE DO NOT GO ALONG WITH ONE ANOTHER.

"THE MOVEMENT WHICH HAS TAKEN HOLD OF GERMANY IS RADICAL THROUGH AND THROUGH. AN ADVANCE TROOP, A RADICAL ADVANCE TROOP, ALWAYS IS A MINORITY--IN THE REALM OF NATIONAL SOCIALISM IT IS AND REMAINS THE PACEMAKER. DEVELOPMENTS SINCE 1933 (WHEN THE NAZIS ASSUMED POWER) PROVE THAT."

THE NEW YEAR'S MESSAGES AND TOASTS INCLUDED:

CHANCELLOR HITLER, TO THE ARMY: "I AM CERTAIN THAT YOU ALSO IN THE FUTURE WILL ALWAYS BE READY TO PROTECT AGAINST EVERYONE THE NATION'S RIGHT TO LIVE."

PROPAGANDA MINISTER PAUL JOSEPH GOEBBELS, WHO SPOKE BY RADIO FROM HIS SUBURBAN HOME AFTER A TEN-DAY ILLNESS: "THE TRUTH OF THE SLOGAN WAS AGAIN PROVED (IN 1938) THAT THE WORLD BELONGS TO THE COURAGEOUS. HARDLY IS ONE HISTORICAL PROBLEM SOLVED UNTIL ANOTHER IS WAITING FOR US."

FIELD MARSHAL HERMANN WILHELM GOERING: "1939, TOO, WILL BE A YEAR OF HARD WORK X X X IT DEPENDS UPON EVERY SINGLE INDIVIDUAL--THIS IS THE SLOGAN FOR 1939."

ASIDE FROM THE GERMAN INTENTION OF BUILDING A FLEET UP TO THE STRONGEST POSSIBLE POINT UNDER THE 35 PER CENT TONNAGE RESTRICTION OF THE 1935 *Anti-ger. naval treaty, details of* THE 1939 PROGRAM WERE LEFT SOMEWHAT INDEFINITE. JAN 2 1939

SUBMARINE PARITY WITH GREAT BRITAIN AND PROBABLY TWO ADDITIONAL HEAVY CRUISERS ARE ON THE BIGGER NAVY PROGRAM--CONSIDERED A NECESSITY SHOULD NAZI HOPES FOR THE RESTORATION OF HER WAR-LOST COLONIES BE

30.24-1175

REALIZED.

IN THE ECONOMIC SPHERE, MINISTER OF ECONOMICS WALTHER FUNK HAS THE TASK OF INCREASING GERMAN PRODUCTION AND EXPORTS, WHILE AT THE SAME TIME COMBATING MAJOR ECONOMIC WEAKNESS OF A LOW FOREIGN EXCHANGE FUND WITH WHICH TO PURCHASE ~~VIT~~ RAW MATERIALS.

ONLY HITLER KNOWS IN WHAT WAY THE ARMY MAY BE BOLSTERED. DR. GOEBBELS REFRAINED FROM HINTING WHAT "HISTORICAL PROBLEMS" HE HAD IN MIND FOR SOLUTION.

BOSTON, JAN. 1-(AP)-WILLIAM CARDINAL O'CONNELL, DENOUNCING "LUSTFUL" TYRANTS AND DICTATORS, TODAY ASSERTED THE "POISONED AMBITION THAT IS IN THE HEADS AND HEARTS OF THE RULERS TODAY IS REALLY AT THE BOTTOM OF ALL THE TROUBLE IN THE WORLD."

"UNTIL THE RULERS OF THE WORLD BEGIN TO UNDERSTAND THAT THEIR DUTY IS FIRST OF ALL TOWARDS OTHERS, IT IS FUTILE TO LOOK FOR ANY SOLUTION," HE SAID.

THE CARDINAL, DEAN OF THE ROMAN CATHOLIC HIERARCHY IN AMERICA, ADDRESSED 2,500 MEMBERS OF THE HOLY NAME SOCIETY OF BOSTON AT THE HOLY CROSS CATHEDRAL. HE DID NOT NAME THE "RULERS" TO WHOM HE REFERRED.

"WHEN RULERS DEFY THE LAW OF GOD, WHEN THEY ARE FILLED WITH PRIDE AND LUST, POWER AND AMBITION; WHEN, IN A WORD, THE HUMILITY WHICH CHRIST CAME TO TEACH MANKIND IS FORGOTTEN, THEN THERE IS NOTHING LEFT BUT FUTILITY, DESPAIR AND BRUTE FORCE." HE SAID.

ED RQ817PES

Britain Raising Navy Outlay By Millions To Offset Nazi Subs

JAN 3 1939
Paper Reports Decision Due To Hitler's Announcement He's Beginning Mass Production Of "Minnow" U-Boats To Equal England's Strength

London, Jan. 2—The Herald said today that Great Britain would revise her naval estimates for 1939 upward by several million pounds because of Germany's move for submarine parity.

"There will probably be an extra two flotilla leaders and fourteen destroyers, with large numbers of small, fast, submarine-chaser motor boats," the newspaper said.

JAN 3 1939
Plan "Minnow" Subs
Chancellor Hitler has notified London that he intends to more than

double his submarine strength to bring it to parity with Britain's. Germany was understood to plan mass production of a "minnow" submarine and also two new 10,000-ton cruisers. Under the German-British naval treaty of 1935, Germany agreed to restrict herself to thirty-five per cent. of British tonnage in every category but submarines, which were to be forty-five per cent. unless by "friendly discussions" Germany elected to build to the full British tonnage.

...ed umbrella was in a black coffin which was labeled: "Unemployed. He asked in vain for appeasement."

A "hearse" rolled up before the door of 10 Downing street, the Prime Minister's official residence, and a hundred men and women surged forward into the narrow little street.

"There's a present for 'Nev'!" one yelled, as the doors of the "hearse"—a truck—opened, disgorging the black coffin.

Police sprang forward and struggled with the men who attempted to dump the coffin on the doorstep of the official residence. In the

JAN 3 1939
THE YOUTH ORGANIZATION WENT ON RECORD FOR A CHECK-UP ON THE CITIZENSHIP OF ALL PERSONS IN CZECHO-SLOVAKIA, THE EXPULSION OF ALIENS AND THE LIMITATION OF JEWISH ECONOMIC INFLUENCES PROPORTIONATE TO THEIR NUMBERS.

THEY DECLARED FURTHER THAT CZECHO-SLOVAK CULTURE SHOULD NOT BE SUBJECTED TO INFLUENCE OF "NON-NATIONAL ELEMENTS."

UMBRELLA IS GIFT

But London's Idle Fail to Get It to Chamberlain

JAN 3 1939
LONDON, Jan. 3 (A. P.)—Some of London's unemployed today tried to give Prime Minister Neville Chamberlain an "appeasement umbrella" as a New Year's gift, but police spoiled the presentation. The

scuffle the coffin was dropped. There were cries of "We want relief!" and "Chamberlain must go!"

Mr. Chamberlain was visiting Lord Iveagh, wealthy brewer, at the latter's Suffolk home at the time.

JAN 4 1939
The Prime Minister's umbrella gained nothing from his "appeasement" Germany of late.

JAN 3 1939
PRAGUE, JAN. 2—(AP)—DR. FRANZ LUKAVSKY, YOUTH ORGANIZATION LEADER IN THE GOVERNMENT'S NATIONAL UNITY PARTY, TODAY DEMANDED REMOVAL OF ALL MEMBERS OF FORMER PRESIDENT BENES' REGIME FROM CZECHO-SLOVAKIA'S PUBLIC LIFE.

SPEAKING AT A YOUTH MASS MEETING, LUKAVSKY SAID THE RETIREMENT OF BENES AS AN AFTERMATH OF THE MUNICH ACCORD WAS NOT ENOUGH.

HE PROPOSED THAT A COMMITTEE OF INVESTIGATION BE SET UP TO EXAMINE THE QUESTION OF "GUILT FOR THE NATIONAL CATASTROPHE" WHICH BROUGHT ABOUT DISMEMBERMENT OF THE REPUBLIC.

THOSE FOUND RESPONSIBLE SHOULD BE BANISHED FROM PUBLIC LIFE, LUKAVSKY DECLARED.

MOSCOW, JAN 3-(AP)-A WARNING TO CZECHO-SLOVAKIA

THAT THE PRAGUE GOVERNMENT'S POLICY MAY LEAD THE NATION INTO A PLIGHT WORSE THAN MERE DISMEMBERMENT WAS SOUNDED TODAY BY LE JOURNAL DE MOSCOU (CORRECT), WHICH FREQUENTLY REFLECTS OPINION OF THE SOVIET FOREIGN OFFICE.

JAN 4 1939
30.24
THE PAPER SAID IT WAS ONLY NATURAL THAT CZECHO-SLOVAK RESISTANCE TO BERLIN'S DESIRES SHOULD HAVE BEEN WEAKENED AFTER THE MUNICH

AGREEMENT. BUT LATELY IT IS EVIDENT "MOST MEASURES TAKEN BY PRAGUE ARE A VOLUNTARY IMITATION OF BERLIN," IT SAID.

"EVEN DEPENDENT COUNTRIES USUALLY TRY TO PRESERVE SOME OF THEIR POLITICAL INDEPENDENCE AND FREEDOM OF ACTION."

THE JOURNAL ASSERTED AN ANTI-SOVIET ATTITUDE IN PRAGUE NATURALLY WOULD PLEASE BERLIN, BUT THAT SERVILITY TO GERMANY SHOULD NOT GO SO FAR AS TO AUTHORIZE TERRORISTIC ANTI-SOVIET ORGANIZATIONS ON CZECHO-SLOVAK SOIL. **JAN 4 1939**

"ONE SHOULD NOT FORGET IN CZECHO-SLOVAKIA THAT THE U.S.S.R. CANNOT REMAIN INDIFFERENT TO ENCOURAGEMENT OF ANTI-SOVIET INTRIGUES ON CZECHO-SLOVAK TERRITORY."

THE PAPER SAID THERE WAS EVEN LESS EXCUSE FOR PRAGUE'S ATTITUDE BECAUSE OF A FIRMER ANGLO-FRENCH STAND, PRESUMABLY IN REGARD TO TOTALITARIAN POWERS, AND GROWING INTERNAL WEAKNESS WHICH IT SAID WAS OCCURRING IN GERMANY.

CZECHO-SLOVAKIA ONCE MORE MAY FIND HERSELF ON THE WRONG SIDE, THE PAPER WARNED.

D951 PES

U. S. Recalls Naval Attache

LONDON, Jan. 3 (AP)—Rear Admiral Russell Willson, United States naval attache, is expected to leave this month to report in Washington on new German and British naval plans.

Admiral Willson was recalled for duty in the United States after serving for two years as the naval attache of the embassy. He is expected to consult with British Admiralty officials on the implications of Chancellor Hitler's decision, announced last week, to double the German submarine force to achieve submarine parity with Britain.

the Czecho-Slovak-Polish border. At the same time he commissioned the Czecho-Slovak Ambassador at Warsaw to protest against shootings by Polish groups on Czech soil and the alleged abuse of several Czechs by the Polish government.

The Polish complaints were directed against distribution of anti-Polish leaflets in Czech border districts.

The Czecho-Slovak answer said the government would do all possible for orderly development of relations between the two countries, and added that the government expected the Polish government to accord proper treatment to Czechs living in districts ceded to Poland last September.

**POLISH OFFICIAL
MAY SEE HITLER**

Meanwhile Warsaw Reopens the Whole Jewish Problem.

BERLIN, Jan. 4 (A. P.).—German-Polish relations came to the fore today on receipt of word that Foreign Minister Joseph Beck of Poland might stop on his way to Warsaw from southern France to see Chancellor Hitler at Berchtesgaden.

Col. Beck went to the French Riviera for his customary Christmas visit. The trip was considered important, however, because of reports that he would confer with French officials and because of demands for autonomy by Ukrainians in Poland.

The Polish embassy also an-

Germany's side during the September crisis.

Another Cause of Friction.

Polish eagerness to have the Carpatho-Ukraine section of Czechoslovakia awarded to Hungary—thus giving Poland and Hungary a common frontier—also crossed German plans and was said to have angered Hitler.

Another cause of friction was Poland's march into the Czechoslovak border town of Oderberg which Germany had coveted as an important railway junction. The Poles entered Oderberg without consulting Germany.

A Polish embassy spokesman said that the current discussions would concern the general position of Polish Jews in Germany, as well as the specific problem of the thousands of Polish Jews who still remain in a "no man's land" on the Polish-German frontier after their expulsion by Nazi authorities early in November. The rejection followed announcement of a new Polish law requiring the revalidation of Polish passports. Germany feared that, as a result, the Polish Jews would become men without a country.

BECK AND FÜHRER TO CONFER TODAY

Polish Foreign Minister Is Expected To Discuss The

JAN 4 1939

Problem Of Jews In Germany Also May Form Topic Of Conversation

[By the Associated Press]

Berlin, Jan. 4—The agitation of Polish Ukrainians for self-government and the problem of Polish Jews in Germany are expected to be discussed tomorrow by Chancellor Adolf Hitler and Joseph Beck, Foreign Minister of Poland.

The German Foreign Minister, Joachim von Ribbentrop, went to Munich to meet Colonel Beck, who is en route to Warsaw from a vacation on the French Riviera, and escort him to Hitler's home above Berchtesgaden.

Hint About Ukraine

The officially-inspired news service Dienst Aus Deutschland said the coming conference "reveals the mutual wish to continue the neighborliness"

of Germany and Poland and hinted the Ukrainian issue might arise.

Germany and Poland, the service remarked, "desire first and foremost to dovetail the tendencies of their policies into certain Eastern European problems in which they are mutually interested and toward the solution of

which they wish to assume an identical attitude."

JAN 5 1939

Move Began Last Month

Last month a movement was started in Poland for autonomy for a large section of southeastern Poland inhabited largely by Ukrainians. Indications also were apparent in Germany of an interest in Ukrainian self-government.

Italian View of Situation

ROME, Jan. 4 (AP).—The newspaper Tribuna, commenting today on the projected visit of Foreign Minister Ciano to Warsaw, said Rome was in a position to accomplish "fruitful work" for the Rome-Berlin axis.

"Now, while the process of European clarification set in motion by irresistible dynamics of the axis continues, the Italian-Polish meeting, in which the Eastern European situation may be examined in the light of the new order of things in Central Europe, is more than useful," the paper said.

ROME-
JAN-4
"FASCIST ITALY'S EXCELLENT RELATIONS WITH HUNGARY AND YUGOSLAVIA AND SATISFACTORY RELATIONS WITH CZECHOSLOVAKIA AND RUMANIA PLACE ROME IN A POSITION TO ACCOMPLISH EXTREMELY FRUITFUL WORK AT THIS TIME IN CONNECTION WITH THE AXIS."

"IF THERE IS SOME MISUNDERSTANDING TO BE ELIMINATED IN THE INTEREST OF ALL, ITALY CAN CONTRIBUTE TO ITS ELIMINATION, AND GREAT IMPORTANCE ATTACHES TO INFORMATION RECEIVED TODAY FROM BERLIN THAT FOREIGN MINISTER BECK (OF POLAND) ON HIS RETURN FROM MONTE CARLO TO WARSAW WILL CONFER TOMORROW WITH FOREIGN MINISTER VON RIBBENTROP."

ENT22FES

Czechs Answer Poland, File Counter-Protests

Tell Warsaw to Treat Former Prague Subjects Properly

PRAGUE, Jan. 4 (AP).—The Czecho-Slovak Foreign Minister answered today several complaints by the Polish government over disorders on

Beck Is Reported About to Visit Berchtesgaden.

IS RETURNING FROM FRANCE

nounced today that a delegation comprising an embassy representative and two specialists from the Warsaw Foreign Office had resumed negotiations here whole problem of Polish Jews in Germany.

Col. Beck was prepared to visit Hitler immediately after the division of Czechoslovakia in October and November, but the Reichsfuehrer was reported disappointed at Col. Beck's cautious attitude in not placing himself wholeheartedly on

IT WAS REPORTED RELIABLY THAT ADMIRALTY OFFICIALS FEEL BRITAIN MUST ADD IMMEDIATELY TO HER ANTI-SUBMARINE FORCE. EXPERTS WERE SAID TO THINK THAT ALL BRITISH DESTROYERS NOW BEING BUILT ARE TOO HEAVY FOR GREATEST EFFECTIVENESS AGAINST ANY LARGE FLEET OF ENEMY SUBMARINES. IT WAS ESTIMATED THE ADMIRALTY WOULD URGE CONSTRUCTION OF 30 DESTROYERS BETWEEN 800 AND 1,000 TONS.

BRITAIN NOW HAS 178 DESTROYERS, BUT MANY ARE OBSOLETE AND CONSIDERED INADEQUATE.

GERMANY, ITALY AND JAPAN TOGETHER HAVE 264 SUBMARINES AND GERMANY IS SAID TO BE READY TO START LARGE-SCALE PRODUCTION OF SUBMARINES OF 250 TO 1,100 TONS.

ADMIRAL WILLSON, IT WAS SAID, IS TO REPORT ON THE REASONS GIVEN BY GERMANY FOR THE NEW U-BOAT PLANS. HE MAY REPORT ALSO TO PRESIDENT ROOSEVELT ON BRITISH PLANS TO MEET THE GERMAN NAVAL REARMAMENT.

WILLSON WAS CAPTAIN OF THE S.S. PENNSYLVANIA BEFORE COMING TO LONDON. HIS NEXT ASSIGNMENT WAS NOT KNOWN HERE.

Hitler Confers With Beck On Poland-Reich Line-Up

Warsaw's Pact Renewal With Moscow Reported Topic

BERCHTESGADEN, Germany, Jan. 5 (P).—Chancellor Adolf Hitler and Col. Joseph Beck, Polish Foreign Minister, sought at a conference today to bring German and Polish eastern European policies into line. Whether they succeeded was not disclosed, but it was assumed that Hitler questioned Beck as to the meaning of the renewal on Nov. 26 of the Polish-Soviet Russian non-aggression pact, and as to how extensively Poland intended to develop her trade with Russia.

Reports of current Baltic politics also was discussed. Beck often has been said to be interested in organizing the Baltic region under Polish auspices. Of special interest, it was said, was the reported intention of Finland and Sweden to fortify the Aland Islands, which lie between them, and its effect on Poland and Germany as Baltic powers.

Dispatches from Poland described Beck's visit as the beginning of a "big diplomatic offensive" designed to show that Poland is an active major power, ready to defend her interests.

Beck came here directly from a holiday on the French Riviera. Others participating in the long interview today at Hitler's nearby mountain home were Joseph Lipski, Poland Ambassador to Germany, German Foreign Minister Joachim von Ribbentrop, and Count Hans von Molke, German Ambassador to Poland.

BECK OF POLAND CALLS ON HITLER

Warsaw-Berlin Relations Discussed by Leaders.

BERCHTESGADEN, Germany, Jan. 5 (A. P.).—Poland's Foreign Minister, Col. Joseph Beck, today came to Reichsfuehrer Adolf Hitler's chalet on Obersalzberg for discussion of far-reaching Polish-German questions.

The Fuehrer met Beck at the entrance of his mountain home with a warm handshake. Polish Ambassador Joseph Lipski and German Foreign Minister Joachim von Ribbentrop accompanied the visitor. Hitler led the way to his study, where the party settled down for a talk.

Col. Beck was on his way home

from a Christmas holiday on the French Riviera. It had been expected that he would visit Hitler soon after the partitioning of Czechoslovakia, from which both Germany and Poland benefited, but Hitler was reported then to have been disappointed at Col. Beck's caution in not aligning Poland wholeheartedly on Germany's side.

Recent revival of agitation for Ukrainian autonomy in Poland and Czechoslovakia—allegedly with German inspiration—is a new factor lending importance to German-Polish relations. This agitation is considered in some quarters as connected with German ambitions to establish an independent Ukrainian State, including the rich Soviet Ukraine, under German tutelage.

ARTILLERY, ARMORED CARS ALSO USED IN INVASION; 14 DEAD, BUDAPEST DECLARES

One Village Whose Cession Reich And Italy Recently Forced Is Reported Reoccupied, Nearby City Of 30,000 Bombarded From There

Hotel, Two Theaters, Number Of Other Buildings Hit—Attackers Described As Prague's Regular Troops And Ukranian Terrorists

[By the Associated Press]

Budapest, Jan. 6—The Hungarian Government today reported two Czecho-Slovak artillery bombardments of the border city of Munkacs in a pitched battle between Czecho-Slovak and Hungarian forces.

Reports of the battle, involving cannon, tanks and armored cars, spread a wave of excitement through the nation. Munkacs is in the territory Czecho-Slovakia ceded to Hungary two months ago.

High officials of the Government met in continuous conference.

The Foreign Office announced that a strong protest had been made to Prague, charging violations of Hungary's border. It said the German and Italian legations in Budapest had been informed.

"Hungary waives all responsibility for what may happen," an official statement warned.

Casualties On Both Sides
Official advices said both sides had suffered casualties.

In the first bombardment, they said, a hotel, a motion-picture theater and the Munkacs municipal theater were struck by Czecho-Slovak shells.

The Hungarian official news agency said a second barrage began at 2.20 P. M. It reported four hits on buildings of the city, which was part of the award of 4,875 square miles of Czecho-Slovak territory made to Hungary by Italian-German mediation at Vienna last November 2.

14 Reported Killed
Hungarians said four of their officers and five soldiers had been killed.

Czecho-Slovak casualties were placed at five men.

Hungarian military authorities said that a Czecho-Slovak tank, a mine catapult and a heavy machine gun had been captured on Hungarian territory near Munkacs. The Hungarians declared this equipment was identified as belonging to a unit of the regular Czecho-Slovak Army.

The Budapest report said hostilities were started at 3.40 A. M. by Czecho-Slovak regulars and irregulars at Oroszveg and by "Ukrainian terrorists." Hungarians accounts said Czecho-Slovak artillery began to fire on Munkacs after a force had invaded the Hungarian village of Oroszveg, a few hundred yards north of Munkacs' city limits.

It was reported that eight shells had struck the Csillag Hotel, and that besides the Municipal Theater and a movie house several dwellings had been hit.

Budapest Version Of Start
The Hungarian version continued: Before dawn several armored cars coming from the Czecho-Slovak side approached Oroszveg. Hungarian frontier troops started firing when the cars tried to enter the village. The armored cars were headed by three trucks filled with troops, "regulars and irregulars." The men sprang from the trucks and engaged the frontier guards with machine-gun and rifle fire. The alarm spread along the whole frontier and Hungarian troops were moved into border positions.

"Brawl," Prague Hears
Hungarian military rule, imposed on Munkacs when the territory was occupied in November, was in the process of being replaced by civil authority. Troops were being withdrawn from the region. Hungarians said the

Czechs obviously tried to seize the city during the transition period.

[Vague reports of what Czecho-Slovakia regarded as a "number of brawls" in the Munkacs region were made to Prague. Lack of details was ascribed to poor communications, but the Hungarian reports were considered exaggerated.]

Sporadic Violence In Past

Munkacs—also called Mukacevo—200 miles northeast of Budapest, lies in a strategic region in the Carpathian Mountains, where Czecho-Slovak, Hungarian, Rumanian and Polish borders come close together. Two hundred miles to the east lies the Soviet Ukraine.

The frontier between Czecho-Slovakia and Hungary has been inflamed ever since the Vienna mediation, which was made amid grave tension between the two countries that led both to partly mobilize. There has been sporadic violence and charges of intimidation on both sides.

The Hungarian radio sidetracked all other programs to give frequent bulletins on the reported hostilities. Civil telephone communication with Munkacs was broken and it was believed that the city's civil administration again would be replaced by military rule.

Munkacs, a city of 30,000, is situated in a bit of territory that juts into Czecho-Slovakia. Its military situation has been regarded as precarious because Czecho-Slovak and Ruthenian forces could approach within a few miles on three sides.

Hungarians have attributed several border clashes to a studied Czecho-Slovak campaign for recovery of ceded territory.

[Continued On Page 3 Column 2]

30.24 - 1179

30.24 - 1179

^{Mid. Budapest - Jan. 6}
THE HUNGARIAN FOREIGN OFFICE ANNOUNCED THAT A VIGOROUS PROTEST AGAINST VIOLATION OF HUNGARY'S BORDERS HAD BEEN MADE IN PRAGUE AND THAT THE GERMAN AND ITALIAN LEGATIONS IN BUDAPEST HAD BEEN INFORMED OF THE INCIDENT.

JAN 7 1939

A FRONTIER COMPANY OF THE GENDARMERIE AND THE POLICE OF MUNKACS PREPARED TO DEFEND THE CITY, WHICH WAS NOT IMMEDIATELY MENACED, HOWEVER. BUT THE INVADERS PENETRATED TO THE SQUARE OF OROSZPEG AND EARLY IN THE AFTERNOON APPEARED TO BE IN POSSESSION OF THE VILLAGE.

DASH MATTER - FOLLOW BUDAPEST - BATTLE

--DASH--

JAN 7 1939

THE SCENE OF REPORTED FIGHTING BETWEEN CZECHO-SLOVAK AND HUNGARIAN FORCES HAS PLAYED AN IMPORTANT ROLE IN THE RECENT HISTORY OF CENTRAL EUROPE.

THE BORDER CITY OF MUNKACS WAS PART OF RUTHENIA, IN DISMEMBERED CZECHO-SLOVAKIA, UNTIL LAST NOVEMBER 2 WHEN ITALIAN FOREIGN MINISTER COUNT GALEAZZO CIANO AND GERMAN FOREIGN MINISTER JOACHIM VON RIBBENTROP, AS MEDIATORS, AWARDED IT TO HUNGARY. IT WAS PART OF A SLICE OF ABOUT 4,575 SQUARE MILES OF CZECHO-SLOVAKIA THAT HUNGARY ACQUIRED.

THE VIENNA MEDIATION SETTLED A BITTER TERRITORIAL WRANGLE BETWEEN BUDAPEST AND PRAGUE AS AN AFTERMATH OF THE MUNICH PARTITION OF SEPTEMBER 29. UNTIL IT WAS MADE, BOTH HUNGARY AND CZECHO-SLOVAKIA WERE PARTLY MOBILIZED ON OPPOSITE SIDES OF BARBED WIRE AND STRONG FORTIFICATIONS ALONG THE DANUBE RIVER.

THE SETTLEMENT, HOWEVER, SHIFTED THE NATIONALITY OF SEVERAL BLOCs

OF MINORITIES. THERE HAVE BEEN SPORADIC OUTBURSTS OF VIOLENCE ALONG THE FRONTIERS BETWEEN HUNGARY AND RUTHENIA, NOW THE AUTONOMOUS CARPATHO-UKRAINE REPUBLIC WITH CZECHO-SLOVAKIA.

THE REGION'S POSSIBLE LARGER ROLE LIES IN ITS GEOGRAPHICALLY STRATEGIC POSITION ALONG THE PATH OF GERMANY'S ZURICH NACH OSTEN-- MARCH TO THE EAST.

JAN 7 1939

WITH GERMANY'S INFLUENCE DOMINANT IN CZECHO-SLOVAKIA, THIS REGION FORMS AN INVITING CORRIDOR IN THE DIRECTION OF THE RICH SOVIET UKRAINE, WHICH THE NAZIS ARE KNOWN TO COVET.

BUT HUNGARY AND POLAND, ON THE NORTH AND SOUTH BORDERS OF CARPATHO-UKRAINE, HAVE OTHER IDEAS. THEY WOULD LIKE TO PINCH OFF THE WHOLE CARPATHO-UKRAINE FROM CZECHO-SLOVAKIA, DIVIDE IT AND CREATE A COMMON POLISH-HUNGARIAN FRONTIER.

Q0ANT932AES

HUNGARIANS HAVE ATTRIBUTED SEVERAL BORDER CLASHES, INCLUDING THE CHRISTMAS SEASON FIGHT AT ~~NAGYSURANY~~ NAGYSURANY IN WHICH TWO PERSONS WERE KILLED, TO A STUDIED CAMPAIGN ON THE CZECHO-SLOVAK SIDE FOR RECOVERY OF ~~CEDED~~ CEEDED TERRITORY.

JAN 7 1939

MUNKACS, A ~~CEXEXXEX~~ CITY OF 30,000, WAS GIVEN TO HUNGARY BY THE ITALIAN AND GERMAN REFEREES ~~BOURXEX~~ IN THE NOV. 2 AWARD OF VIENNA. IT IS SITUATED IN A BIT OF TERRITORY WHICH JUTS INTO CZECHO-SLOVAKIA. IT HAS A LARGE JEWISH POPULATION.

JAN 7 1939

ITS MILITARY SITUATION WAS REGARDED AS PRECARIOUS BECAUSE

JAN 7 1939

CZECHO-SLOVAK AND RUTHENIAN FORCES COULD APPROACH WITHIN A FEW

Czechs Battle Hungarians

Truce Is Finally Reported in Frontier City of Munkacs After Day of Fighting.

BUDAPEST, Jan. 6 (A. P.).—Dispatches from the Hungarian-Czechoslovak border tonight said that a truce had been arranged in the region of Munkacs, where the Hungarian Government had reported heavy fighting and shelling of the city by Czechoslovak forces.

Government advices, however, said conditions remained tense at Munkacs, frontier city in the territory recently ceded to Hungary by Czechoslovakia. Hungarian reinforcements from many garrisons, including Budapest, already have left for various points along the border.

Premier Bela Imredy referred in an address to "the treacherous attack on Munkacs" and warned Czechoslovakia to keep "hands off" Hungary.

Reports of the battle, involving cannon, tanks and armored cars, spread a wave of excitement through the nation. The territory Czechoslovakia ceded to Hungary two months ago. High officials of the Government met in continuous conference.

The Foreign Office announced that a strong protest had been made to Prague, charging violation of Hungary's border. It said the German and Italian legations in Budapest had been informed.

Official advices said that both sides had suffered casualties.

In First Bombardment.

In the first bombardment, they said, a hotel, a motion picture theater and the Munkacs Municipal Theater were struck by Czechoslovak shells. This attack was reported launched before dawn.

The Hungarian official news agency said a second barrage began at 2:20 P. M. (8:20 A. M., Eastern standard time). It reported four hits on buildings of the city, which was part of the award of 4,875 square miles of Czechoslovak territory made to Hungary by Italian-German mediation at Vienna last November 2.

Invaders Reported Repulsed.

Hungarian military authorities reported at 4 P. M. that "the assault

of the invaders" had been repulsed all along the line but intermittent shelling of Munkacs was continuing. Most of the shellfire, they said, was concentrated on the residential district, but occasionally projectiles fell in the business section.

Munkacs—also called Mukacevo—200 miles northeast of Budapest, lies in a strategic region in the Carpathian Mountains where Czechoslovak, Hungarian, Rumanian and

Polish borders come close together. Two hundred miles to the East lies the Soviet Ukraine.

The frontier between Czechoslovakia and Hungary has been enflamed since the Vienna mediation which was made amid grave tension between the two countries in which both were partly mobilized. There has been sporadic violence and charges of intimidation on both sides.

Frequent Bulletins Issued.

The Hungarian radio sidetracked all other programs to give frequent bulletins on today's hostilities. Civil telephone communication with Munkacs was broken and it was believed that the city's civil administration would be replaced by military rule.

According to the Budapest version:

The Hungarians took a number of prisoners. Statements from several of these indicated that Czechoslovak military authorities in the last few weeks discharged Ruthenian (Carpatho-Ukrainian) soldiers because they could not be relied on in any encounter with the Hungarians. Most of the prisoners were said to be from Bohemia or Moravia (the Czech portions of Czechoslovakia).

Hungarian military authorities announced this afternoon that a Czechoslovak tank, a mine catapult

and a heavy machine gun had been captured on Hungarian territory near Munkacs. The Hungarians declared this equipment was identified as belonging to a unit of the regular Czechoslovak Army.

Denial Is Issued.

HUST, Czechoslovakia, Jan. 6 (A. P.).—The Government of Carpatho-Ukraine, autonomous division of Czechoslovakia, issued a denial today of Budapest reports that Czechoslovak troops had attacked and shelled the Hungarian village of Oroszpeg on the outskirts of Munkacs.

A communique said that "Hungarian terrorists" crossed into Carpatho-Ukraine during the night, attacked Czechoslovak border patrols and wounded one soldier. The communique added that the patrols chased the terrorists back across the border.

Hungarians Captured Inside Border, Czechs Say

Prague, Czechoslovakia, Jan. 6 (A. P.).—A Hungarian army officer was reported killed and several Czech gendarmes seriously wounded today in an eight-hour battle between Czechoslovak and Hungarian forces on the Hungarian frontier of Carpatho-Ukraine (Ruthenia).

Czechoslovak officials who made the report said the officer was a member of the international commission laying out the new border between

Hungary and Carpatho-Ukraine, autonomous state of easternmost Czechoslovakia.

The official said three regular officers of the Hungarian army were taken prisoner in Carpatho-Ukraine, several hundred yards from the new boundary.

Puts Blame On Hungarians

The battle was fought near Munkacs, which was one of the principal cities of Carpatho-Ukraine before it was ceded to Hungary on November 2. The Czechoslovak version of the encounter was that firing began at 8 A. M. (2 A. M., E.S.T.) on Carpatho-Ukrainian territory when Hungarian troops and "terrorists" crossed into the autonomous state.

The battle stopped at 4 P. M. after Czechoslovak and Hungarian officers who had rushed to the scene reached an agreement, it was reported.

The Czechoslovak reports said the Hungarian officer who was killed was slain accidentally when he entered the

firing zone on his way to mediate the affair with a Czechoslovak officer, also a member of the delimitation commission.

Investigation Is Started

The Hungarian charge d'affaires at Prague protested at the Czechoslovak foreign office, charging that Czechoslovak troops had invaded the Munkacs region.

A Czechoslovak and Hungarian commission was on the scene tonight investigating.

A representative of the Prague Foreign Office promised compensation if it was established that Czechs were to blame. Diplomatic circles said they regarded the incident as local and expected a quick settlement.

Information reaching Prague was that only a small detachment of Czechoslovak troops was stationed in the area. First reports of the engagement referred to it as a "number of brawls."

Called Off Terrorist Campaign

The incident was regarded by Czechs as a continuation by discontented Hungarians of "terrorist" tactics designed to win Carpatho-Ukraine for Hungary. Neither Hungarians nor Ukrainians were satisfied with the boundary drawn by Italy and Germany at Vienna November 2.

Hungarians wanted all of Carpatho-Ukraine, as far north as the Polish border, it was said, and Poles feared that an autonomous Carpatho-Ukraine within the federal state of Czechoslovakia would encourage the autonomy idea among Poland's own large Ukrainian minority.

As a consequence, it was said, Polish elements assisted Hungarians in provoking a series of clashes in this mountainous eastern tip of Czechoslovakia.

It was said they hoped to show that Carpatho-Ukraine was not stable and thus induce Italy and Germany to alter the Vienna decision in Hungary's favor.

'Just Brawls,' Vague Reports Tell Prague

Prague, Jan. 6 (A. P.).—Vague reports of what Czechoslovaks regard as a "number of brawls" in the region of Munkacs, on the Hungarian frontier, reached here today.

Communications with Carpatho-Ukraine were so poor that no details were available.

Hungarian reports of a battle with artillery and tanks were believed here to be exaggerated.

Prague's Version.

PRAGUE, Jan. 6 (A. P.).—Czechoslovak officials said tonight that a Hungarian army officer was killed and several Czech gendarmes seriously wounded in an eight-hour battle between Hungarian and Czechoslovak forces near Munkacs.

According to the Prague version the battle ceased at 4 P. M. (10 A. M., Eastern standard time) after Czechoslovak and Hungarian officers who had rushed to the scene reached an agreement.

Officials here declared that three regular Hungarian army officers were taken prisoner in Czechoslovak territory.

The Hungarian Charge d'Affaires called at the Foreign Office today and lodged a protest which charged that Czechoslovak troops had invaded the region of Munkacs. Czechoslovak officers attached to the joint Hungarian-Czechoslovak Border Delimitation Commission were ordered to the scene of the incident. Reports here indicated that only a small detachment of Czechoslovak troops was stationed in that area.

Hungary Sends Large Force To Czech Border After Clash

Both Sides Agree To Investigate Trouble In Which Budapest Claims A Dozen Or More Were Killed

By the Associated Press

BUDAPEST, Hungary, Jan. 6—Bitter border fighting with machine guns, an armored car and even light artillery fire burst forth today in the neighborhood of Munkacs, a city of 30,000, which Hungary acquired through the November 2 partitioning of Czechoslovakia.

The Hungarian Intelligence Service asserted it had evidence that Czechoslovak troops deliberately attacked Munkacs and the adjacent village of Oroszpeg, precipitating hostilities which were reported to have caused a dozen or more deaths.

No Reservists Called

The fighting had stopped tonight, but thousands of Hungarian troops were moving toward border points. Only troops on active duty were involved. No reservists had been called to the colors.

In several Hungarian communities crowds demanding aggressive action were dispersed by police.

Czechoslovakia and Hungary agreed on a joint investigation of the clash. This step followed presentation of a written Hungarian protest to Ivan Krno, of the Prague Foreign Office.

Hungarian quarters said Krno took a conciliatory attitude.

Partial Text Of Protest

The text of the protest follows, in part:

"Many attempts have been made by Hungary to bring about better relations.

"But it must be observed there was

unwillingness on the part of Czechoslovakia to cooperate.

"It must also be pointed out that the unprovoked attacks on Munkacs was preceded by deliberate preparations on the part of Czechoslovakia, which were supported by a section of the foreign press.

"The Hungarian Government holds the Czechoslovak Government responsible for loss of life and property damage incurred. And Hungary is obliged to take steps to assure prevention of a repetition of such surprises."

[Associated Press Editor's Note—Munkacs formerly was in Carpatho-Ukraine. The province juts east toward the Soviet Ukraine with Poland on the east and north and Hungary and Rumania on the south. The city is 200 miles northeast of Budapest.]

Premier Warns Czechs

Premier Bela Imredy in an address tonight spoke of "the treacherous attack on Munkacs" and warned Czechoslovakia to keep "hands off Hungary."

Hungarian reports said fighting was started at 3:40 A. M. (9:40 P. M., E.S.T., Thursday) at Oroszpeg by Czechoslovak regulars and irregulars and continued through the day.

Hungarians said the "invaders" began shelling Munkacs, striking first a hotel, a motion-picture theater and the Municipal Theater, and in intermittent fire in the afternoon were concentrating on the residential district. At 4 P. M. Hungarian military

authorities asserted the attackers had been repulsed.

Czech Troops Reported Gathering

They announced their troops had taken a number of prisoners and captured armament which they declared was identified as having belonged to a unit of the Czechoslovak army.

The Hungarian military reported heavy concentrations of Czechoslovak troops east and west of Munkacs.

Some military leaders in Budapest were urging mobilization. The Cabinet met for an hour, but the Government was proceeding cautiously. It weighed the possibility of international complications which might arise from the

most aggravated border incident which has occurred along the northern frontier since Italian and German mediators in Vienna awarded Hungary 4,875 square miles of Czecho-Slovakia.

Foreign Influence Blamed

Hungary was aware that Germany opposed her annexation of Munkacs and that she obtained the city in the November 2 award only after Italy vigorously supported her claims.

Budapest buzzed with persistent reports on which officials refused to comment that a "foreign influence" was encouraging hostility toward Hungary in Carpatho-Ukraine.

An official announcement said Hungarian troops had been given stern orders to provoke no conflict and to open fire only if attacked.

Meanwhile, charges and counter-charges over responsibility for today's incident flew back and forth across the border.

Give Czech Explanation

Hungarian officials reported that late this afternoon two Czecho-Slovak officers visited the Munkacs City Hall. The ranking officer, they said, insisted no attack on Munkacs had been planned and if any assault on Hungarian territory had occurred it must have resulted from misinterpretation of orders by a sergeant.

Hungarians said Czecho-Slovak shells were falling near the City Hall while the conference was in progress.

The Hungarian Intelligence Service said it had evidence that a Czecho-Slovak army major had ordered two companies of the Thirty-sixth Czecho-Slovak Infantry Regiment to attack Oroszveg and Munkacs.

30.24 - 1181

Adm Budapest - Jan 6

(CONDITIONS ALONG THE BORDER REMAINED TENSE, HOWEVER, AND

REINFORCEMENTS FROM MANY GARRISONS, INCLUDING BUDAPEST, LEFT IN THE AFTERNOON FOR VARIOUS BORDER POINTS. JAN 7 1939

THE BORDER FOR SOME TIME HAS BEEN ONE OF EUROPE'S UNEASIEST FRONTIERS. HUNGARIANS, WANTING A COMMON BORDER WITH POLAND, WERE DISSATISFIED WITH THE VIENNA AWARD; CZECHO-SLOVAKIA AND GERMANY BOTH OPPOSED GIVING MUNKACS AND ANOTHER CARPATHO-UKRAINIAN CITY, UNGVAR, TO HUNGARY.

BANDS OF IRREGULARS HAVE MADE RAIDS ON EACH SIDE OF THE LINE, THE PRESS AND RADIO HAVE CARRIED ON PROPAGANDA FOR MANY FACTIONS, AND THE REGION HAS SWARMED WITH AGENTS REPRESENTING VARIOUS CAUSES.

FD/REX:VPS

JAN 7 1939

HUNGARIANS PHOTOGRAPHED PLACES WHERE CZECHO-SLOVAKS ALLEGEDLY ATTACKED AND THEY TOOK STATEMENTS FROM PRISONERS WHICH THEY SAID INDICATED THE ASSAULT HAD BEEN DELIVERATELY PLANNED.

THE QUESTION OF RESPONSIBILITY IS COMPLICATED BY THE FACT THE BORDER DEMARCATION COMMISSION HAS NOT FINISHED ITS WORK IN THE MUNKACS REGION.

JAN 7 1939

THE ITALO-GERMAN MEDIATORS IN NOVEMBER DEFINED THE BORDER ONLY IN A GENERAL WAY. AN INTERNATIONAL COMMISSION WAS GIVEN THE TASK OF FIXING THE PRECISE LINE. REGIONS A MILE OR SO IN WIDTH STILL ARE IN DISPUTE IN MANY SECTIONS.

(AFTER THE MUNICH ACCORD OF SEPT. 29, WHICH GAVE CZECHO-SLOVAKIA'S SUDETEN REGIONS TO GERMANY, HUNGARY DEMANDED THAT CZECHO-SLOVAKIA CEDE

HER TERRITORY INHABITED BY HUNGARIANS.

(A BITTER QUARREL RESULTED AND FINALLY, AS MEDIATORS, THE FOREIGN

MINISTERS OF ITALY AND GERMANY, COUNT GALEAZZO CIANO AND JOACHIM

VON RIBBENTROP, ON NOV. 2 IN VIENNA AWARDED HUNGARY 4,875 SQUARE

MILES OF CZECHO-SLOVAKIA.)

NAZIS SEEN LINING UP POLES FOR NEW COUP

Hitler's Talk With Beck, Ob-
servers Think, Paved Way
To Ukraine Seizure

JAN 7 1939

[By the Associated Press]

Berlin, Jan. 6—Chancellor Hitler was considered by competent observers today to have taken another major step toward realizing the Nazi determination to dominate Europe east of the Rhine.

This was believed to have been the meaning of Hitler's three-and-a-quarter-hour meeting with Col. Joseph Beck, Polish Foreign Minister, yesterday.

Information in reliable quarters indicated that Hitler sounded out Beck on whether Poland was ready to cooperate in realizing Nazi dreams.

Poland Likeliest Nazi Foe

The Nazis considered that France and Britain withdrew from continental affairs through the Munich agreement and that all of north, central and southern Europe is their sphere of direct influence. Poland is perhaps the most likely objector.

Nazis base their claims to this vast section of the Continent on the contention that German minorities live in all its sections, and that these Germans must be given the right to recognize Hitler as their leader and live as Germans live in the Reich.

Nazis Want Grip On Ukraine

Behind this stands the Nazi desire for access to raw materials of the Soviet Ukraine.

Different plans for attaining these desires are discussed here often. One, in which Poland would share—Hitler was believed to have felt his way on this yesterday—would seek to give Poland direct and Germany indirect rule over an autonomous Ukraine, including that part of the Ukraine now in Poland and also the Russian Ukraine.

Danzig, Memel Also Wanted

The theoretically autonomous Ukraine would be included in a federal Polish-Ukrainian state under Nazi tutelage, much as Czecho-Slovakia today is linked economically and politically with Germany. Inclusion of this state within Poland would be the latter's reward for helping the Nazis.

Poland wanted to know how closely Poland felt herself allied to France in the new European setup, either as a guide or to determine how far he could support Italian demands on France.

Poland's concern is with Nazi intentions in the Baltic and the Ukraine. She is less interested in southern Europe, where Nazi influence is being exerted through trade and political prestige.

Hitler was said to have informed quarters that he had asked what Poland, as an ally of France, would do in case France and Italy became seriously involved in the Mediterranean area.

Beck's reply was not ascertained. That the question was put indicated to observers, however, that Hitler

Impatient for Memel
Nazi quarters have expressed impatience that Lithuania has not already handed back Memel.

BUDAPEST - 2ND ADD FIRST LEAD BATTLE X X X MILITARY RULE.

ACCORDING TO THE BUDAPEST VERSION:

THE HUNGARIANS TOOK A NUMBER OF PRISONERS. STATEMENTS FROM SEVERAL OF THESE INDICATED THAT CZECHO-SLOVAK MILITARY AUTHORITIES IN THE LAST FEW WEEKS DISCHARGED RUTHENIAN (CARPATHO-UKRAINIAN) SOLDIERS BECAUSE THEY COULD NOT BE RELIED ON IN ANY ENCOUNTER WITH THE HUNGARIANS.

MOST OF THE PRISONERS WERE SAID TO BE FROM BOHEMIA OR MORAVIA (THE CZECH PORTIONS OF CZECHO-SLOVAKIA).

A CZECH COLONEL AND MAJOR SENT A MESSENGER ASKING FOR A CONFERENCE WITH COMPETENT HUNGARIAN AUTHORITIES. THE HUNGARIANS NAMED LIEUT.-COL. SZENTIVANYI AND BELA DUDINSZKY, SHERIFF OF MUNKACS, FOR THE MEETING.

IT DID NOT TAKE PLACE, HOWEVER, BECAUSE DUDINSZKY REPORTED THAT THE AUTOMOBILE IN WHICH HE WAS STARTING FOR THE MEETING PLACE WAS FIRED ON BY MACHINE-GUNNERS AND HE WAS SLIGHTLY WOUNDED IN ONE ARM.

HUNGARIAN MILITARY AUTHORITIES REPORTED AT 4 P.M. (10 A.M., E.S.T.) THAT "THE ASSAULT OF THE INVADERS" HAD BEEN REPULSED ALL ALONG THE LINE BUT INTERMITTENT SHELLING OF MUNKACS WAS CONTINUING. MOST OF THE SHELLFIRE, THEY SAID, WAS CONCENTRATED ON THE RESIDENTIAL DISTRICT, BUT OCCASIONALLY PROJECTILES FELL IN THE BUSINESS SECTION.

(VAGUE REPORTS, ETC.)

QQ1102AES

BULLETIN

BUDAPEST, JAN. 6-(AP)-A BATTLE BETWEEN CZECHO-SLOVAK AND HUNGARIAN TROOPS INVOLVING THE USE OF ARTILLERY AND ARMORED CARS BROKE OUT TODAY NEAR MUNKACS.

FH655AES

BUDAPEST--FIRST ADD BATTLE XXX NEAR MUNKACS.

AN OFFICIAL HUNGARIAN REPORT OF THE INCIDENT SAID A HOTEL, A PICTURE THEATER AND THE MUNICIPAL THEATER AT MUNKACS, WHICH IS IN THE TERRITORY RECENTLY CEDED TO HUNGARY, WERE BOMBARDED BY CZECHO-SLOVAK ARTILLERY.

HUNGARIANS SAID THE BATTLE STILL WAS IN PROGRESS IN THE AFTERNOON AND THAT FOUR HUNGARIAN OFFICERS AND FIVE SOLDIERS HAD BEEN KILLED.

JAN 7 1939

CZECHO-SLOVAK CASUALTIES WERE PLACED AT FIVE MEN. ONE CZECHO-SLOVAK ARMORED CAR WAS REPORTED SEIZED.

FH705AES

BUDAPEST--SECOND ADD BATTLE XXX REPORTED SEIZED.

THE BUDAPEST VERSION SAID HOSTILITIES WERE STARTED AT 3:40 A.M. (9:40 P.M. THURSDAY, E.S.T.) BY CZECHO-SLOVAK REGULARS AND IRREGULARS AT OROSZVEG AND BY "UKRAINIAN TERRORISTS."

THE HUNGARIANS ANNOUNCED PROMPT COUNTER-MEASURES WERE TAKEN.

(THE REGION WHERE THE FIGHTING OCCURRED WAS FORMERLY PART OF RUTHENIA-CARPATHO-UKRAINE. THERE HAD BEEN NUMEROUS BORDER DIFFICULTIES SINCE THE SEPTEMBER CRISIS.)

JAN 7 1939

FH722AES

BUDAPEST - 3RD ADD BATTLE X X X X SEPTEMBER CRISIS.)

HUNGARIAN MILITARY AUTHORITIES ANNOUNCED THIS AFTERNOON THAT A CZECHO-SLOVAK TANK, A MINE CATAPULT AND A HEAVY MACHINE-GUN HAD BEEN CAPTURED ON HUNGARIAN TERRITORY NEAR MUNKACS. THE HUNGARIANS DECLARED THIS EQUIPMENT WAS IDENTIFIED AS BELONGING TO A UNIT OF THE REGULAR CZECHO-SLOVAK ARMY.

QQ840AES

JAN 7 1939

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Ad. Berlin - Jan. 6
 INCLUSION OF THE AUTONOMOUS UKRAINE WITHIN POLAND WOULD BE THE LATTER'S REWARD FOR HELPING THE NAZIS, EVEN IF IT INVOLVED FORCE TO GET THE RUSSIAN UKRAINE.

JAN 7 1939

WHAT BECK REPLIED WAS NOT ASCERTAINED. THAT THE QUESTION WAS PUT INDICATED TO OBSERVERS, HOWEVER, THAT HITLER WANTED TO KNOW HOW CLOSELY POLAND FELT HERSELF ALLIED TO FRANCE IN THE NEW EUROPEAN SET-UP, EITHER AS A GUIDE SHOULD POLAND TURN AGAINST HIM OR TO DETERMINE HOW FAR HE COULD SUPPORT ITALIAN DEMANDS ON FRANCE FOR AN AFRICAN COLONIAL ADJUSTMENT.

OTHER QUESTIONS REPORTED UNDER DISCUSSION WERE TREATMENT OF THE GERMAN MINORITY IN POLAND AND WHAT TO DO WITH POLISH JEWS WHO HAD LIVED IN GERMANY, WHOSE PASSPORTS POLAND TRIED TO CANCEL, AND WHOM GERMANY SENT TO THE FRONTIER WHERE MANY STILL ARE WAITING.

FM302AES

JAN 7 1939

Ad. Munich - Jan. 6
 ENTOURAGE. HE IS EXPECTED TO RETURN TO BERCHTESGADEN TOMORROW TO REPORT TO HITLER ON THE RESULTS OF THE MEETING HERE.

IN RELIABLE QUARTERS IN BERLIN, THERE WAS INFORMATION INDICATING THAT HITLER SOUNDED OUT BECK ON WHETHER POLAND, PERHAPS THE MOST LIKELY OBJECTOR TO THE NAZI EXPANSION AMBITIONS, WAS READY TO COOPERATE.

UNDER ONE OF THE PLANS DISCUSSED FOR CONSUMMATION OF GERMAN DESIRES, POLAND WOULD SHARE BY GETTING DIRECT AND GERMANY INDIRECT RULE OVER AN AUTONOMOUS UKRAINE, INCLUDING THE PART OF THE UKRAINE NOW IN POLAND AND ALSO THE RICH SOVIET RUSSIAN UKRAINE.

BE608PES

Nazi Polish Talks

Continued In Munich

German Foreign Office Reported Satisfied With Course Of

Conversations 30.24

Munich, Jan. 6 (AP) — Foreign Office quarters expressed satisfaction tonight over the course of Polish-German conversations launched by Adolf Hitler and continued here by the Foreign Ministers of the two Governments.

The talks here were arranged after a meeting yesterday at Berchtesgaden at which Hitler was regarded by competent observers as having taken another major step toward realization of his aims to dominate Europe east of the Rhine.

Col. Joseph Beck, Foreign Minister of Poland, came here from the three-and-a-quarter-hour meeting with Hitler for further conversations with Joachim von Ribbentrop, German Foreign Minister.

The two Foreign Ministers conferred in the afternoon for an hour and forty-five minutes. Von Ribbentrop was host tonight at a dinner to Colonel Beck and his entourage.

Nazis Warn Hungarians

BERLIN, Jan. 7 (A. P.) — German Nazis again warned Hungary and Czechoslovakia today that their new frontier was final and that they need not hope to have it altered. Through Politische Diplomatische Korrespondenz, which speaks semi-officially for the Foreign Office, Nazis took a hand today in yesterday's border incident at Munkacs, Hungary, by saying it was caused by revisionist propaganda.

"It cannot be concealed that such incidents are caused by certain propaganda that cannot resist the temptation to demand frontier changes even in contradiction to solemn official assurances," said the publication.

On the Czechoslovak side, it said, utterances recently appeared which gave the people the impression that the boundary as Germany and Italy traced it at Vienna on November 2 "was not the last word."

"It is to be expected," the paper said, "that the proper authorities on either side will take the necessary measures to avoid a repetition of similar incidents."

Polish Deny Troop Movements

WARSAW, Jan. 7 (A. P.) — Informed quarters here today described Czechoslovak reports of Polish troop movements along the

border as "propaganda."

Recurring incidents along the frontier with Czechoslovakia may have caused the border patrol to be strengthened but "not sufficiently to be called troop movements," it was said.

JAN 7 1939

HUNGARIANS SHOOT AT MOB OF CZECHS

3 Are Wounded by Gendarmes in Clash Over Arrest of Man for Insulting Regent Horthy

MUNKACS AREA IS QUIET

Czecho-Slovakia Moves Army Units on Frontier — Poland Denies Border Activity

BUDAPEST, Hungary, Jan. 7 (AP) — Hungarian gendarmes wounded three persons in a crowd of Slovak sympathizers today in the uneasy border situation which precipitated a conflict between Czechoslovaks and Hungarians yesterday at Munkacs.

Guns were silent in the Munkacs region, but new, though unverified, Hungarian reports asserted forty Czechoslovaks and seven Hungarians died in yesterday's battle and that Czechoslovak forces took hostages with them when they retreated.

[Semi-official quarters in Prague denied these reports. On Friday the Czechoslovaks said only one person had been killed while Hungarians reported the total at a dozen or more.]

Today's incident occurred in the Hungarian village of Komarom-Csehi, northeast of Budapest and more than 200 miles southwest of Munkacs, with the gendarmes firing five shots. The shooting occurred as officers were arresting a man on a charge of insulting Admiral Nicholas Horthy, regent of Hungary.

The gendarmes reported that a crowd of 150 persons, "excited by Slovak agitation from across the border," had attacked them with sticks and stones and that they shot in self-defense.

At Munkacs, a city of 30,000 in the territory awarded Hungary

The breakdown of the negotiations led to the meeting Nov. 2 in Vienna of the German and Italian Foreign Ministers, Joachim von Ribbentrop and Count Galeazzo Ciano, who awarded Hungary 4,875 square miles of Czechoslovakia. In Budapest, Horthy, regent, the expulsion of the Prager Presse, provoked a protest by the Czechoslovak Minister to Hungary. He was expelled on two hours' notice.

Czechoslovak military commander of the city. They asserted he chose yesterday as the occasion for the assault because he wished to make his country a "Christmas present" of the city. [The Orthodox Christmas, based on the Julian calendar, is thirteen days later than Christmas according to the Gregorian calendar.] The gendarmes reported that the shooting occurred as officers were arresting a man on a charge of insulting Admiral Nicholas Horthy, regent of Hungary.

from Czechoslovakia on Nov. 2 by Italian-German mediators in a post-Munich territorial settlement, there was no resumption of hostilities even though the truce arranged yesterday by military authorities ended at 1 P. M. A mixed commission established to fix responsibility for yesterday's conflict, in which Munkacs was shelled, met for an hour without reaching any agreement. Hungary reported that 1,000 Czechoslovak soldiers had taken part in the attack, which they charged was planned by the former

MUST, CZECHO-SLOVAKIA, JAN 6-(AP)-THE GOVERNMENT OF CARPATHO-UKRAINE,
AUTONOMOUS DIVISION OF CZECHO-SLOVAKIA, ISSUED A DENIAL TODAY OF
BUDAPEST REPORTS THAT CZECHO-SLOVAK TROOPS HAD ATTACKED AND SHELLED
THE HUNGARIAN VILLAGE OF OROSZPEG ON THE OUTSKIRTS OF MUNKACS.

A COMMUNIQUE SAID THAT "HUNGARIAN TERRORISTS" CROSSED INTO
CARPATHO-UKRAINE DURING THE NIGHT, ATTACKED CZECHO-SLOVAK BORDER
PATROLS AND WOUNDED ONE SOLDIER. THE COMMUNIQUE ADDED THAT THE
PATROLS CHASED THE TERRORISTS BACK ACROSS THE BORDER.

MUNKACS IS IN THE CARPATHO-UKRAINE TERRITORY CEDED TO HUNGARY NOV. 2.
IS THE NEW CAPITAL OF CARPATHO-UKRAINE.

EZ1243PE3

JAN 8 1939

FIRST LEAD BATTLE-WITH BUDAPEST

PRAGUE, JAN 6-(AP)-THE HUNGARIAN CHARGE D'AFFAIRES CALLED AT THE
FOREIGN OFFICE TODAY AND LODGED A PROTEST WHICH CHARGED THAT CZECHO-
SLOVAK TROOPS HAD INVADIED THE REGION OF MUNKAC, IN THE TERRITORY
CZECHOSLOVAKIA CEDED TO HUNGARY NOV. 2. TH

CZECHO-SLOVAK OFFICERS ATTACHED
SLOVAK BORDER DELIMITATION COMMISSION WERE ORDERED TO THE SCENE OF THE
INCIDENT. REPORTS HERE INDICATED THAT ONLY A SMALL DETACHMENT OF
CZECHO-SLOVAK TROOPS WAS STATIONED IN THAT AREA.

FIRST VAGUE REPORTS RECEIVED HERE TOLD OF "NUMBER OF BRAWLS"
IN THE MUNKAC REGION.

FOR COMMUNICATION XXX SECOND TDZOER

JAN 7 1939

Jan Masaryk Arrives In U. S. For Lectures

Son Of Czechoslovakia's Founder
Met In New York Bay
By Cutter

New York, Jan. 6 (AP)—Jan Masaryk, son of the founder of the Czechoslovak republic, who resigned as his country's Minister to Great Britain after the settlement of Munich, arrived tonight for a series of addresses in the United States.

He was met at Quarantine and taken from the liner Washington in a Coast Guard cutter in order to reduce arrival formalities to a minimum and to permit him to be on time for his first appearance here.

Masaryk, whose mother was an American, was brought up in this country and as the liner approached the shore his eyes filled with tears.

"When I first came here thirty years ago," he remarked proudly, "believe me, there was a cutter to meet me."

THREE SLOVAKS SHOT AT BORDER BY HUNGARIANS

Gendarmes Fire at Crowd
in Demonstration Near
Czech Frontier.

47 WERE KILLED YESTERDAY

BUDAPEST, Jan. 7 (A. P.).—
Gunfire burst forth on another sector of the Hungarian-Czechoslovak frontier today as Hungarians were checking up on yesterday's artillery, tank and machine gun battle at Munkacs, in which they reported forty-seven killed.

The new incident occurred at the village of Komarom-Csehi, where Hungarian gendarmes fired five shots and wounded three persons in a crowd of Slovak sympathizers.

Authorities said the shooting took place as the officers attempted to make an arrest and were assaulted by an excited crowd of 150 armed with sticks and stones.

Hungarians said forty Czechoslovaks and seven Hungarians were killed at Munkacs yesterday.

The Hungarian dead included one officer hit by a shell fragment at the Hotel Osblag in Munkacs, the town ceded to Hungary by Czechoslovakia at the November 2 Vienna arbitration award of Italy and Germany. The official Hungarian report added that 200 houses in Munkacs, center of yesterday's battle, were damaged by Czechoslovak shell fire.

When the Czechoslovak forces retreated, Hungarians declared, they took hostages with them from the Hungarian village of Oroszveg, which they occupied for a few hours.

Thousands of Hungarian troops, meanwhile, were moved up to the zone of yesterday's sporadic hostilities, although a truce had been arranged. It was also reported that Polish troops were massing along the Czechoslovakian border.

Protest by Hungary.

Crowds demanding revenge were dispersed in several Hungarian towns.

Officers of the Czechoslovak General Staff opened an investigation while Budapest and Prague sought to arrange the appointment of a mixed commission to fix responsibility for the incident.

In a written protest, the Hungarian Government said:

"It must be pointed out that the unprovoked attack on Munkacs was preceded by deliberate preparations on the part of Czechoslovakia which were supported by a section of the foreign press.

"The Hungarian Government holds the Czechoslovak Government responsible for loss of life and property damage incurred. And Hungary is obliged to take steps to assure prevention of a repetition of such surprises.

Neither side told the full story of what happened.

Bitter neighbors since the Vienna convention gave Hungary a slice of Czechoslovakia, the countries have charged each other with responsibility for a succession of raids which have disturbed the frontier territory.

Prague has maintained that Hungarian irregulars (so-called Free Corps men) were crossing the border to create disturbances with the object of convincing the world the Carpatho-Ukraine (Ruthenian) section of Czechoslovakia was incapable of self-government.

Hungary—in the face of German opposition—wanted a common frontier with Poland, Prague circles

said, and therefore sought to build up a case for the annexation of Carpatho-Ukraine.
Trouble Along Border
Hungarians, on the other hand,

have charged that Czechs and Slovaks employed disorderly bands to cause border trouble. That both Czechoslovakia and Germany were making constant attempts to stir up resentment against Hungary in the regions already annexed.

Munkacs and Ungvar were awarded to Hungary at the insistence of Italy.

In some quarters there was evidence of displeasure at this concession to Rome. It was said in diplomatic quarters that Germany wished Czechoslovakia to retain these cities as centers of a proposed highway to the Rumanian border.

Border Issue Parley Suggested By Prague

PRAGUE, Jan. 7 (AP).—Frantisek Chvalkovsky, Foreign Minister, replied today to Hungary's protest over yesterday's border battle near Munkacs, suggesting the two countries use the incident to "consult each other in a neighborly way" over the question of restoring quiet in the frontier zone.

Chvalkovsky handed the reply to the Hungarian charge d'affaires. It said a detailed answer to Hungarian charges that Czechoslovak troops had attacked Munkacs would be made when the Government had received a full report.

47 Fatalities Report Denied
A mixed Czechoslovak-Hungarian mission began an inquiry to place responsibility for the incident, meeting in Munkacs at the same time that a purely Czech investigating party completed its work and prepared to report to the Prague Government.

Semi-official quarters denied Hungarian reports that forty Czechoslovaks and seven Hungarians had been killed and that the Czechoslovak forces had taken hostages.

An official announcement, which did not mention casualties, said the border was crossed from both sides.

Czechoslovak participants were border guards, volunteers and a small military detachment, and on the Hungarian side were armed civilians and military units.

Both sides returned to their original positions after a conference of Czechoslovak and Hungarian officers, the announcement added.

30-24-1185

30.24-1185

AMS--EUROPEAN INTERPRETIVE--BUDGET

BY FRED VANDERSCHMIDT

LONDON, JAN 7-(AP)-BRITAIN AND FRANCE, FORTIFIED BY A HEADY DOSE OF TRANSATLANTIC COURAGE, ARE PROPPING UP NEW "STOP" SIGNS TO TAKE THE PLACE OF THOSE WHICH THE GERMAN AND ITALIAN DICTATORS KNOCKED DOWN AT MUNICH.

OPENLY OVERJOYED BY PRESIDENT ROOSEVELT'S ECHOING WARNING TO AGGRESSORS, BRITISH PRIME MINISTER CHAMBERLAIN AND FRENCH PREMIER DALADIER HAVE DECIDED TO MEET IN PARIS TUESDAY AND DRAW A SHARP LINE BEYOND WHICH THEY HOPE THEY WILL NOT HAVE TO RETREAT IN "APPEASING" CHANCELLOR HITLER AND PREMIER MUSSOLINI.

ON THE NEXT DAY CHAMBERLAIN WILL BE IN ROME TO DO HIS BEST FOR EUROPE'S PEACE IN TALKS WITH IL DUCE HIMSELF.

EVEN BEFORE CHAMBERLAIN TOOK THE UNPRECEDENTED STEP OF PUBLICLY WELCOMING PRESIDENT ROOSEVELT'S EXPRESSION OF AMERICA'S "VITAL ROLE" IN WORLD AFFAIRS HE HAD SPRUNG A NEW YEAR'S SURPRISE BY FLATLY REFUSING MORE "CONCESSIONS TO FORCE."

DALADIER WITH HIS OWN EYES HAS CHECKED UP ON HIS COLONIAL DEFENSES AND FOUND THEM STRONG. HE CAME BACK THIS WEEK FROM TUNISIA AND CORSICA WITH OUTSPOKEN DECLARATIONS AGAINST LETTING ITALY TAMPER DIRECTLY OR INDIRECTLY WITH ANY PART OF FRANCE'S EMPIRE.

MUSSOLINI LISTENED FIRST TO PRESIDENT ROOSEVELT'S AMBASSADOR, WILLIAM PHILLIPS, AND THEN TO THE PRESIDENT HIMSELF. NOW THERE ARE STRONG INDICATIONS HE IS WILLING TO TRY TO PERSUADE HIS AXIS PARTNER HITLER TO GO SLOW, ESPECIALLY WITH THE JEWS.

IN GERMANY EVEN BENEATH THE ANGRY CLAMOR OF HITLER'S PRESS THERE WAS AN INKLING THAT ROOSEVELT'S STRONG WORDS IN HIS MESSAGE TO CONGRESS HAD MADE THE FUEHRER THINK IT MIGHT BE TIME TO PATCH THINGS UP A BIT WITH THE DEMOCRACIES ESPECIALLY SINCE GERMANY NEEDS THEIR MONEY AND TRADE.

BUT HIS TALK THIS WEEK WITH THE POLISH FOREIGN MINISTER, COL. JOSEPH BECK, AT HIS BERCHTESGADEN HOME SHOWED HOW INTENT HITLER IS ON DOMINATION OF ALL CENTRAL EUROPE, PERHAPS THROUGH AN "INDEPENDENT" UKRAINE AND A BALTIC HEGEMONY.

HIS COURSE SHOULD BE CLEARER TO THE WORLD AFTER HE SPEAKS JAN 30, THE SIXTH ANNIVERSARY OF HIS RISE TO POWER.

THIS WEEK ALL THESE FOUR MEN OF MUNICH--CHAMBERLAIN, DALADIER, HITLER AND MUSSOLINI--SAW UNHEALED WOUNDS OF THEIR "PEACE" RUN BLOOD IN AN UNOFFICIAL BATTLE ON THE NEW BORDER BETWEEN CZECHO-SLOVAKIA AND HUNGARY. THE BATTLE OCCURRED NEAR THE BOUNDARY OF WHAT MAY SOME DAY BE A GERMAN-DOMINATED UKRAINE. SOME PROFESSED TO SEE HITLER'S FINGERS IN IT.

GENERALISSIMO FRANCISCO FRANCO, THE SPANISH INSURGENT LEADER, AM AND HUNGARY. THE BATTLE OCCURRED NEAR THE BOUNDARY OF WHAT MAY SOME DAY BE A GERMAN-DOMINATED UKRAINE. SOME PROFESSED TO SEE HITLER'S FINGERS IN IT.

GENERALISSIMO FRANCISCO FRANCO, THE SPANISH INSURGENT LEADER, A FRIEND OF MUSSOLINI AND HITLER, IN THE MEANTIME SMASHED WITH ALL HIS BORROWED POWER AT THE RECEDING DEFENSES OF REPUBLICAN SPAIN. HE WANTED A VICTORY BIG ENOUGH TO IMPRESS CHAMBERLAIN WHEN THE BRITISH

PRIME MINISTER SEES MUSSOLINI AND TALKS ABOUT SPAIN'S FUTURE.

DB&E2259PES

EUROPEAN SURVEY
RAISES PEACE HOPEGeneral War Is Regarded Less
Likely This Year Than It
Was in 1938

REICH-SOVIET CLASH SEEN

But France Is Not Expected to
Enter Possible Conflict Over
Move in the Ukraine

From facts gleaned during a four months' tour through fourteen European countries, a correspondent of The Associated Press concluded:

There is less danger of a European war in 1939 than there was in 1938.

There is a possibility of an armed clash between Russia and Germany if Chancellor Adolf Hitler tries to take over control of the Ukraine, and Poland might easily be involved, but there is every reason to hope that such a fight would be localized. There is no need for it to spread to the rest of Europe, though Japan might intervene in the Far East.

Why such a prediction? Because no European nation, however hard-boiled it may try to appear, wants war. And no European country, not even the strongest, is fully prepared for war.

War scares will come and war scares will go, but we still will have with us the vital fact that the exchequers of numerous nations, including some of those that have been beating the drums the hardest, are as bare as Mother Hubbard's cupboard.

Hitler to Remain Dominant

Herr Hitler bids fair to continue as the dominant figure in Europe. He may be expected to provide most of the big sensations, though Mussolini may cause a flurry with his expansionist ambitions.

Most assuredly Herr Hitler will pursue his "Drang nach Osten"—drive to the East—to extend economic and political domination of the Reich. An early step in this

already highly successful campaign is expected to be an effort to secure a hold on Russian Ukraine, one of the world's richest prizes.

Control of the resources of the Ukraine, together with what he already has gained in Eastern Europe and the Balkans since his Czecho-Slovak coup, would go far toward making Germany self-sufficient—that is, independent of most of the rest of the world for supplies.

This long-predicted move might precipitate a Russian-German war. Observers generally believe that Herr Hitler will, as usual, try to achieve his goal by indirection, by inspiring the Ukrainians to revolt against Moscow and establish an independent nation over which he would then assume authority without causing minority problems for himself by actual annexation. War between Russia and Germany might grow out of this, and Poland would be lucky to escape being involved.

There would, of course, always be danger of such a war spreading, but at the present writing the prospect of its being confined to Eastern Europe is good. The most serious threat of the conflict's grow-

ing might be expected to lie in the French-Russian alliance for mutual military aid in event of "unprovoked" German aggression.

However, investigation in Paris indicates that France will not make a move unless Herr Hitler drags her into the row. If the Nazi chieftain does work by indirection, or if war should develop from circumstances that did not constitute "unprovoked aggression" against Russia, it is a safe bet that France would not feel called upon to act.

"Internal" Russian Affairs

Regarding a revolt by the Ukraine, it may be said with assurance that the present French Government would regard it as an "internal" Russian affair in which France had no concern. Observers strongly suspect that Herr Hitler has been told this in response to inquiries recently in Paris.

It must be pointed out here that should the Daladier government fall—as it may—and be replaced by one of the extreme Left, including the Communists, the picture might possibly change. Such a government would lean more strongly to Russia.

Apart from the Ukraine, Herr Hitler will continue to consolidate his new trade and political gains in the Balkans and reach farther toward the Baghdad and India of former Kaiser Wilhelm's dreams. Britain, highly disturbed by this creation of a new economic empire, has announced that she will contest vigorously Herr Hitler's effort to maintain near monopoly in trade in the Balkans.

The political situation is heating up so in the big European democracies, France and England, that it will be amazing if both the present Cabinets survive the year.

The French Government, headed by Edouard Daladier, has a thin hold on life. M. Daladier's majority in the Chamber of Deputies is moderate and not permanent in appearance. The Premier is proceeding under near-dictatorial powers granted temporarily by the Chamber of Deputies to bridge the serious economic and political situations, due largely to the huge rearmament program.

Feeling that only drastic measures would pull the country through the crisis, the Cabinet not long ago promulgated decrees, providing among other things more taxation and longer hours of work temporarily for labor where employers feel it essential and pay for it.

These decrees caused much resentment in all classes, especially labor. The workers were fearful of losing the forty-hour week and other boons won during the past two years under the Leftist Popular Front government. This situation precipitated the general strike, which M. Daladier smashed.

Dissatisfaction in Britain

In Britain there is considerable dissatisfaction in Parliament and among the public with Prime Minister Neville Chamberlain's policy of appeasement toward the dictators. There is a growing feeling that there is not much use trying to bargain with Rome and Berlin. Even the Premier's own Conservative party, to which he owes his control of the House of Commons, is split on this issue.

In particular the dismemberment of Czecho-Slovakia under the Nazi knife, with the unwilling acquiescence of France and Britain, has brought condemnation from many Britons. Even those who wish to avoid war at almost any price could not approve the sacrifice of the little republic on the altar of peace.

Should the opposition continue active it is likely that the Prime Minister may decide to submit the problem to the country in a general election. If he should win, he then would have to decide whether to continue to head the government or give way to a younger man and thus concede something to the young Conservatives who long have been charging that the older men monopolize all the places in the political sun. This cry goes back almost to the end of the World War.

NEW YORK, JAN 7 (AP)—BACK FROM A FOUR-MONTHS ROVING ASSIGNMENT ABROAD, DEWITT MACKENZIE, VETERAN ASSOCIATED PRESS FOREIGN AFFAIRS WRITER, SAID TODAY THE PEOPLE OF EUROPE BOTH IN THE DEMOCRACIES AND TOTALITARIAN STATES "ARE WORRIED SICK."

IN THE DICTATORSHIPS, HE SAID, THE MAN IN THE STREET KNOWS LITTLE, IF ANYTHING, OF WHAT IS GOING ON AND GAINS WHAT INFORMATION HE HAS FROM GOVERNMENT-CONTROLLED PRESS AND RADIO. IN THE DEMOCRACIES, MACKENZIE ADDED, THE PEOPLE HAVE THE FACTS BUT THE INTERPRETATION OF THOSE FACTS "IS FAULTY AND FOGGY."

JAN 8 1939

MACKENZIE SAID THAT IN MANY PLACES DURING HIS WORK IN 14 COUNTRIES, THE PEOPLE WERE ASKING HIM QUESTIONS.

"THE PEOPLE OF ENGLAND HAVE CHANGED SINCE THE MUNICH AGREEMENT," SAID MACKENZIE. "THEY HAVE HARDENED AGAINST DICTATORSHIPS."

HE EXPLAINED THAT CITIZENS OF FRANCE AND BRITAIN KNEW THAT HITLER WAS GOING TO ANNEX A PART OF CZECHOSLOVAKIA, BUT THEY ARE JUST BEGINNING TO REALIZE THAT THE WHOLE OF CZECHO-SLOVAKIA HAD COME COMPLETELY UNDER THE DOMINATION OF THE REICH AND DID NOT FORESEE THE SESECTION OF THE COUNTRY."

"THE PEOPLE OF ENGLAND, MANY OF THEM," HE ADDED, "ARE HORRIFIED OVER WHAT HAPPENED TO CZECHO-SLOVAKIA."

MACKENZIE SAID THAT, BROADLY SPEAKING, PEOPLE IN THE TOTALITARIAN STATES HAVE MORE OR LESS ACCEPTED THEIR SITUATION AS INEVITABLE.

"THE DICTATORS, IN MANY COUNTRIES, HAVE A STRONG FOLLOWING BUT YOU DO FIND IN MOST OF THE DICTATORSHIPS A REVULSION AGAINST THE REGIMENTATION, ALTHOUGH IT IS MORE OR LESS A MENTAL REACTION OF THE INTELLECTUALS, PASSIVE AND NOT STRONG ENOUGH TO MAKE THEM FIGHT."

H1147AES

MACKENZIE PREDICTED THAT 1939 WOULD SEE NO MAJOR WAR.

JAN 8 1939

"I THINK EUROPE IS DEFINITELY HEADED FOR A SHOWDOWN," HE SAID,

1939

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"IT ISN'T LIKELY IN THE IMMEDIATE FUTURE, BUT IT IS ON THE WAY."

THE WRITER SAID THE PEOPLE OF EUROPE, AS A WHOLE, "HAVE BEEN SHOCKED AT THE METHODS EMPLOYED IN HANDLING THE SEMITIC PROBLEM IN GERMANY AND THIS APPLIES TO GERMANY'S ALLY, ITALY AND OTHERS WITH A SEMITIC PROBLEM OF THEIR OWN."

JAN 8 1939
MACKENZIE SAID HE HAD NOT THE SLIGHTEST DIFFICULTY IN CARRYING OUT HIS ASSIGNMENTS AND THAT THERE WAS NO INTERFERENCE WITH HIS WORK. HE ADDED THAT HE WROTE FACTS WHICH SOME OF THE DICTATORS MIGHT NOT HAVE LIKED TO SEE PUBLISHED, BUT HE ENCOUNTERED NO PROTESTS.

"IN MANY INSTANCES I WAS GIVEN ASSISTANCE," HE SAID, "ALTHOUGH IT IS TRUE THAT IN SOME TOTALITARIAN STATES, ONE ENCOUNTERS HEAVY OBSTRUCTION IN COLLECTION OF NEWS, EVEN THOUGH THE CENSORSHIP WOULD NOT OPERATE AGAINST IT IF IT ONCE WAS OBTAINED."

CHICAGO, JAN 7-(AP)-COUNT JERZY POTOCKI, AMBASSADOR

FROM POLAND PREDICTED TONIGHT THE MOST IMPORTANT EVENT FOR NATIONS IN 1939 WOULD BE A "CONTEST OF NERVES"--BUT "NOT NECESSARILY" WAR.
JAN 8 1939

HE TOLD A POLISH BENEFIT FESTIVAL FOR THE KOSCIUSZKO FOUNDATION, WHICH HELPS EXCHANGE STUDENTS AND PROFESSORS BETWEEN UNIVERSITIES OF THE UNITED STATES AND POLAND:

"NON-AGGRESSION AGREEMENTS SUPPLEMENTED BY STRONG NERVES AND--AS A LAST RESORT--BY A STRONG ARMY, FORM THE BEST GUARANTEES OF PEACE IN THE WORLD TODAY."

HE ADDED HE COULD NOT REFRAIN FROM COMMENTING ON "THE FORECASTS OF DIRE AND TRAGIC EVENTS WHICH ARE BEING UNIVERSALLY MADE FOR THE CURRENT YEAR."

"IF I SHOULD VENTURE INTO THIS DANGEROUS FIELD, I WOULD SAY THAT

THE MOST IMPORTANT FEATURE OF THIS YEAR WILL BE A CONTEST, NOT NECESSARILY OF WILLS OR OF ARMS, BUT A CONTEST OF NERVES IN WHICH THE NATIONS WHICH ARE CALM AND CONSCIOUS OF THEIR STRENGTH AND OF THEIR CAUSE, WILL ULTIMATELY WIN." JAN 8 1939

POLAND LOOKS TO THE FUTURE, HE SAID, "WITH CALM AND CONFIDENCE."

NEW YORK, JAN 7-(AP)-AMERICA IS HAILED AS THE "BIGGEST HOPE OF OUR CIVILIZATION" BY JAN MASARYK, SON OF THE FOUNDER OF THE CZECHOSLOVAK REPUBLIC.

MASARYK, WHO RESIGNED AS HIS COUNTRY'S MINISTER TO GREAT BRITAIN AFTER THE SETTLEMENT OF MUNICH, ARRIVED HERE LAST NIGHT FOR A LECTURE SERIES.

TEARS FILLED HIS EYES AS HE BOARDED A COAST GUARD CUTTER FOR THE TRIP UP THE BAY. HIS MOTHER WAS AN AMERICAN AND HE WAS REARED IN THE UNITED STATES.
JAN 8 1939

HE TOLD A LECTURE AUDIENCE THAT THIS COUNTRY WAS CIVILIZATION'S CHIEF HOPE--"NOT BY GOING TO EUROPE TO FIGHT, BUT BY STANDING UP AND SAYING 'WE WILL NOT HAVE THESE DOCTRINES.'"

MASARYK, WHO SAID HE CAME TO THE UNITED STATES "TO BREATHE THE AIR," DID NOT MENTION FASCISM OR NAZIISM DIRECTLY BUT WAS BITTERLY CRITICAL OF THE MUNICH AGREEMENT.

"IT STINKS IN THE NOSTRILS OF MANY PEOPLE IN THIS COUNTRY," HE SAID. "THERE IS ONLY ONE WAY OF GETTING OUT OF ALL THIS, AND THAT IS, TO UPHOLD RESPECT FOR INDIVIDUAL FREEDOM."

ANOTHER HUNGARIAN TOWN
SHELLED BY CZECH GUNS;

ATTACKED BY INFANTRY

Budapest Declares Charge Was Repulsed And Reports Reinforcements Are En Route To Carpatho-Ukraine Border

Prague Says Two New Clashes Have Taken Place Along Frontier Of Its Most Eastern Province. Claims Invaders Were Halted

[By the Associated Press] **JAN 9, 1939**

Budapest, Jan. 8.—Another artillery bombardment of a Hungarian community by Czecho-Slovak troops along the restless border was reported today by the official Hungarian Telegraphic Agency.

The agency reported at 10.30 P. M. (4.30 P. M., E.S.T.) that incendiary shells were fired into the village of Nagygejoc, near Ungvar, and that three Hungarian houses were set afire.

No loss of life was reported in the first accounts of the incident.

Says Hungarians Stood Firm

The official Hungarian statement said the attack started late last night and continued intermittently this forenoon. Nowhere, it stated, did the Hungarians yield ground.

The commander of the Hungarian frontier patrol said his front was first attacked by a mixed formation of 200 Czecho-Slovak soldiers and Ukrainian irregular infantrymen. The patrol took up defense positions and asked for reinforcements from Ungvar.

Czech Officer Reported Captured

The infantry attack was repulsed, according to the official Hungarian version, but then artillery began to fire incendiary shells, which started scattered blazes in the village.

One regular Czecho-Slovak officer was reported captured.

During today officers of both sides met on Hungarian territory for an inquiry.

The Hungarians stated that the Czecho-Slovaks continued desultory fire even after the conference started, but, confident that their frontier was secure, Hungarians said they sent their reinforcing troops back to Ungvar.

From Munkacs, twenty-five miles east of Ungvar, where a similar clash and bombardment occurred Friday, it was reported the Czecho-Slovaks had indicated a willingness

to exchange prisoners and return property seized Friday.

Involved In Border Claims

Both clashes, that Friday and the one today, were on the border of Carpatho-Ukraine, the eastern province of Czecho-Slovakia which Hungary has desired as a part of her territorial acquisitions from Czecho-Slovakia.

Ungvar, 160 miles northeast of Budapest, formerly was capital of Ruthenia, now called Carpatho-Ukraine. It was ceded to Hungary after the Vienna award of November 2 by Italy and Germany, and Chust became the Carpatho-Ukraine capital.

Associated Press Editor's Note—Hungary has opposed Hungary's aims to acquire the rest of the province, partly because she may wish to see the Ukrainians there as a foundation for the formation of a large autonomous Ukraine state, carved from territories of Poland and Soviet Russia, as well as from Czecho-Slovakia and Rumania.)

Hungary Strengthens Border

As a result of the tension Hungary strengthened her frontier forces.

Troops bound northward, equipped for campaigning in the snowbound region of Carpatho-Ukraine, should the need arise, crowded the few highways leading to the border. Forces were strengthened near Munkacs.

Hungarians said they had information that Czecho-Slovak units had moved closer to the demarcation line (which, in many instances, is tentative because a joint border commission has not finished its work) with artillery and infantry.

From the east came reports that Rumanian troops had strengthened garrisons along the border of Carpatho-Ukraine and the territory in which Munkacs and Ungvar formerly lay.

Hears Of Another Clash

Budapest was excited for a time this afternoon by reports of a purported clash near Ungvar. These reports were not substantiated, but Hungarians admitted military reinforcements had gone into the Ungvar region.

At Munkacs, seven persons killed during the fighting Friday, including one woman, were buried. High officials spoke at the funeral service at the City Hall.

A wreath from the municipality of Munkacs bore the legend: "Thank you for saving us."

The Hungarian Foreign Office said an urgent "request" that Czecho-Slovak troops be withdrawn from positions menacing Munkacs had been communicated to the Czecho-Slovak regional command but denied a time limit had been attached.

More Troops Arrive In Munkacs. Several press dispatches from Munkacs and Chust said the Hungarians had insisted upon evacuation of Czecho-Slovak positions by 2 P. M.

Meanwhile, Hungarian light artillery arrived in Munkacs and the city again was full of soldiers. The town was occupied by troops when Hungary took possession after the Vienna award, but the last of the occupation force had been withdrawn only a few days before the Czecho-Slovak bombardment Friday revived the issue as to which country the city belongs.

Holes in the roofs and broken windows testified to effectiveness of the Czecho-Slovak artillery. Citizens told of fleeing from their beds to the security of their basements. One Jewish attorney said he returned from his basement and found his bed had been torn up by a shell fragment.

Border observers said fixing of responsibility for the incident promised to be a long and complicated argument because everybody seemed to have a different notion as to where the border runs. The demarcation commission's work was incomplete.

Hungarians Say Czechs Bomb Border Village

Houses Reported Set on Fire by Shells; Czech Officer Hurt in Another Clash

BUDAPEST, Jan. 8 (AP).—Fresh fighting broke out on the uncertain border between Hungary and Czecho-Slovakia today, and Czecho-Slovak troops were declared to have bombarded a Hungarian village with incendiary shells. The Hungarian telegraphic agency said that three Hungarian houses were set on fire in the village of Nagygejoc, near Ungvar (Uzhorod), by the Czecho-Slovak shells, but that no loss of life occurred.

The fighting, said the agency, started Saturday night and continued intermittently Sunday morning, with the Czecho-Slovaks keeping up an irregular fire even after officers on both sides began an inquiry into the incident.

Two Other Clashes

Reports from Chust, capital of Carpatho-Ukraine, the eastern province of Czecho-Slovakia, told of two other border clashes, at Dovhe and at another village between Vysni

Koropec and Munkacs (Munkacsvo). One Czecho-Slovak officer was reported wounded.

Ungvar is about twenty-five miles west of Munkacs, where, Hungarians said, forty-seven persons were killed in an eight-hour battle and bombardment Friday.

(Ungvar and Munkacs are located in separate indentations of territory, each about ten miles across, with Czecho-Slovak territory on three sides. Both border Carpatho-Ukraine (Ruthenia), to which Hungary had been reluctant to give up her claim in her desire to achieve a common frontier with Poland. Germany has opposed her ambition.)

The Hungarian account of the Ungvar clash said the Hungarians yielded no ground, and that reinforcements summoned to the village from Ungvar were sent back.

Two Border Clashes Reported By Prague; Hungarians Blamed

[By the Associated Press]

Prague, Czecho-Slovakia, Jan. 8 (AP).

Two new clashes were reported today on the troubled border between Hungary and Carpatho-Ukraine, easternmost province of Czecho-Slovakia.

Advices from Chust, Carpatho-Ukrainian capital, said sharp engagements were fought between Czecho-Slovaks and Hungarians near the village of Dovhe and between Vysni Koropec and Munkacs, scene of an eight-hour border battle Friday.

One Czecho-Slovak officer was reported seriously wounded while he and a companion investigated the encounter near Dovhe early this morning. The shooting was said to have started when a group of Czecho-Slovaks met a detail of Hungarian volunteers in the border area.

Invaders Repulsed

In the second encounter, an official communique said, Czecho-Slovak gunners drove back a detachment of Hungarians which crossed into Carpatho-Ukraine last night.

The new incidents developed as the Carpatho-Ukrainian Government agreed to meet partially a demand by the Hungarian Government that Czecho-Slovak troops be withdrawn from the border area.

Czecho-Slovak members of a mixed commission investigating the Munkacs battle said their military would withdraw a mile and one quarter from the border if Hungarian troops did likewise.

Calls For Hungary To Act. The Czecho-Slovak officials also

called upon the Hungarians to liquidate "irregular" Hungarian detachments which they regarded as the principal cause of the border strife.

Czecho-Slovak sources said the mixed commission placed blame on both sides for the Munkacs skirmish.

It was said here the commission's report declared the firing was started by the Hungarians, and that Hungarian volunteers and military patrols advanced into Carpatho-Ukraine territory.

A Czecho-Slovak commander ordered his men to counterfire, the report said, adding that during this operation a Czecho-Slovak tank crossed into Hungary and shells from an artillery battery landed in Munkacs itself.

Hungarian Demand Presented. Czecho-Slovaks said a Hungarian note presented earlier in the day to

Msgr. Augustine Volisin, Premier of Carpatho-Ukraine, demanded that military forces be withdrawn by 8 P. M. (2 P. M., E.S.T.) tonight.

The Carpatho-Ukrainian Government in a reply at 7 P. M. agreed to have the soldiers drop back from the frontier in the Munkacs district, leaving only gendarmes and customs officials.

Its note declared, however, that Czecho-Slovak troops would hold all other parts of the border established November 2 in Vienna by Italo-German mediators in the territorial dispute between Hungary and Czecho-Slovakia.

Called Propaganda Move

The Government at the same time demanded that Hungarians fall back 1.5 kilometers (.93 of a mile) along the entire boundary, but no answer had been received early tonight.

Meanwhile, it accused Hungarians of provoking Friday's fighting at Munkacs, former Carpatho-Ukrainian city ceded to Hungary under the November 2 settlement.

It declared Hungarians took pains to use the incident as "propaganda" in order "to cover up that their own provocations and boundary violations by terror bands and military detachments were the order of the day."

Europe Faces Crucial Week In Peace Talks

Chamberlain's Way to See Mussolini, Will Call in Paris Tomorrow

Rublee and Schacht Will Discuss Jews

Berlin Talks Are Linked to Rome Parley in Quest for a General Solution

[By The Associated Press]

LONDON, Jan. 8.—Europe entered today what may prove its most decisive week since Munich, with both the dictatorships and democracies anxious for peace, but each at its own price. British Prime Minister Neville Chamberlain, who will go to Rome for "exploratory" conferences with Italian Premier Benito Mussolini, will be the central figure in a week of negotiations.

Chamberlain will stop at Paris Tuesday to confer with French Premier Edouard Daladier, whose resolution not to surrender an inch of French territory to Italian colonial aspirations has been fortified by his triumphal swing around France's loyal Mediterranean empire.

Daladier, returning to Paris today, warned Frenchmen of "great tasks" to come to preserve France's empire intact, while French newspapers published excerpts from the German and Italian press to show growing Fascist pressure on France to meet Italy's expansionist demands.

The conversations at Rome are expected to cover broad political, economic and humanitarian fields. But before Chamberlain entrains for home next Saturday it is certain he will have plumbed as deeply as possible the spirit of peace in Rome's populace.

Chamberlain can give Mussolini France's precise point of view on the Fascist clamor for Tunisia, Corsica and other French territory. But he will not offer to help settle the issue directly. The French do not want his intercession. Besides, he will have too many British-Italian issues to clear up in four days, among them the Spanish civil war, the growing strength of Germany—Italy's axis partner—in southeastern Europe, and closer business and political co-operation between Rome and London.

Germany's Economics Minister, Walther Funk, already is in Rome talking trade, but he will have left before Chamberlain arrives. Thus, Mussolini will know what Germany can offer and he will be able to bargain sharply on any British proposal as, for example, expanded British-Italian trade facilitated by generous credits in London.

While Chamberlain is in Rome another, but less spectacular, series of conversations will be held in Ber-

30.24-1189

30.24-1189

lin. Beginning Wednesday, George Rublee, executive director of the inter-governmental committee for refugees, will discuss with Dr. Hjalmar Schacht, president of the Reichsbank, plans for helping Jews leave Germany.

The Jewish problem, it is believed, may be tied in with a possible general appeasement program arising from the Chamberlain-Mussolini talks. Chamberlain, it is known, stands ready to give his backing to President Roosevelt, a prime mover of emigration plans in which Mussolini has been asked to co-operate and which he is understood to be considering favorably.

Regent Of Yugoslavia Joins Rumanian King

Expected To Discuss International Cooperation During Trip

Belgrade, Yugoslavia, Jan. 8 (AP)—Prince Paul, Regent of Yugoslavia, joined King Carol near Arad, Rumania, today for a hunting party.

Informed quarters here believed the Rumanian monarch wished to emphasize Rumania's readiness for international cooperation when the Italian Foreign Minister, Count Galeazzo Ciano, visits Prince Paul here January 19.

CHAMBERLAIN CONSULTS AIDS ON ROME TRIP

Holds Conferences With Key Ministers on Eve of Departure.

LEAVING LONDON TOMORROW

Mussolini Summons Fascist Council to Meet February 4 to Appraise Talks

LONDON, Jan. 9 (A. P.).—Prime Minister Neville Chamberlain leaves for Rome tomorrow for what many believed today would be his final effort to push through his policy of appeasing the dictatorships. The outlook was anything but bright as the sixty-nine-year-old Premier conferred with his key Ministers today.

The civil war in Spain, now two and one-half years old, was a great obstacle between the dictator, Benito Mussolini, and Mr. Chamberlain. Although under the Anglo-Italian agreement signed last April and accepted by Parliament November 2, Italy agreed to withdraw her troops from Spain, her newspapers openly admit Italians are fighting there now for insurgent Generalissimo Francisco Franco.

Many in Europe believe the trip may mark the most decisive week since Munich, with both dictatorships and democracies anxious for peace, but each at its own price. Mr. Chamberlain's flights to Germany to seek appeasement of Chancellor Hitler resulted in the Munich agreement and dismemberment of Czechoslovakia.

To Confer With Daladier.

The Premier will pass through Paris and halt there long enough for a meeting with Premier Edouard Daladier to give a symbolic demonstration of his sympathy with France against Italian agitation for French "Tunis, Corsica and Nice." Over this agitation the talks in Rome may come a cropper. Italy, backed by her axis partner, Nazi Germany, has raised a clamor for concessions, but France has told Britain that she does not want Mr. Chamberlain to "arbitrate" and he is expected to respect this wish to keep firm the alliance with France, Europe's last remaining one between great democracies.

Skopticism over possible results of trip was apparent even within circles of Mr. Chamberlain's own Conservative party in England.

To Demand Belligerent Rights.

Il Duce was expected to demand belligerent rights on behalf of the insurgent Gen. Franco, but observers here believed that Mr. Chamberlain is prepared to refuse this unless Italy removes all her troops from Spain.

Since the Munich agreement there have been increasing signs that Mr. Chamberlain was taking a stronger attitude in his dealings with the dictators. President Franklin D. Roosevelt's speech to Congress last week on defense and the preservation of democracy undoubtedly encouraged a stronger stand, political commentators here said.

The principal hope of achievement in Mr. Chamberlain's visit is that he might persuade Mussolini to make friends with France again. French-Italian relations have been uncertain since the Ethiopian war and have come near to the breaking point since the recent Italian agitation for French colonies.

Fascist Meeting Called.

ROME, Jan. 9 (A. P.).—Premier Mussolini has called a meeting of the Fascist Grand Council, the high-

est executive body, for February 4, possibly to study Italy's future course of action. Fascist leaders by that time will have been able to judge the attitude of British Prime Minister Chamberlain, scheduled to arrive in Rome in two days, toward Italian territorial claims against France and the insurgent campaign in Spain, which is being aided by Italian fighters.

They also will be able to assess how far Count Galeazzo Ciano, the Italian Foreign Minister, in talks with Hungarian and Yugoslav and Polish statesmen, has been able to reassert Italian influence in the Danube basin to offset Nazi trade efforts in southeastern Europe.

Many observers felt today that Italy is attempting to strengthen her position in central and eastern Europe to impress Chancellor Adolf Hitler with the need to achieve some outstanding success as compensation for fulfilling a role as a partner of the Rome-Berlin axis at the four-Powered conference on Czechoslovakia's fate in Munich September 29. Italy, some observers said, might be willing that this "reward" be located in the Mediterranean area and would like to grasp it soon.

Some observers suggested that Mr. Chamberlain's conferences here might produce only economic gains.

Economic advantages would please Italy, but renewed anti-French bitterness in the Fascist press was taken by some as evidence the Fascists also hope for Mr. Chamberlain's aid in settling territorial issues with Paris.

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PARIS, Jan. 9 (A. P.).—The Foreign Ministry announced today that Italy had protested to France against an alleged anti-Fascist demonstration during Premier Daladier's tour of Tunisia.

The protest heightened French-Italian tension on the eve of British Prime Minister Chamberlain's calls on Paris and Rome in pursuit of his policy of European appeasement.

Made to the French resident general at Tunis, the protest charged that while M. Daladier was visiting Tunis January 3, demonstrators tore down and burned an Italian flag. A Foreign Ministry official said preliminary information indicated that an Italian flag hanging over a Tunis tailor shop was taken down by a crowd, but that the incident seemed so unimportant the tailor himself had not complained to police.

ITALO-FRENCH ISSUE AWAITS

CHAMBERLAIN

Informed Sources Say Prime Minister Will Back Paris In Dispute

Rome Expects Visit, Beginning Tomorrow, To Advance Rome's Claims

[By the Associated Press]

London, Jan. 9.—Prime Minister Neville Chamberlain turned toward Rome tonight to continue his appeasement program west of the Rhine.

In conferences with Premier Benito Mussolini, the British statesman will discuss differences between the dictatorships and democracies west of the famous river, as he did in Munich when he and Hitler came to an understanding on affairs beyond its eastern bank.

Four Issues To Arise

Those differences encompass a wider range of problems including:

1. The Italo-French dispute raised by Fascist clamor for concessions in France's colonial empire.
2. The Spanish civil war.
3. Removal of Jews from Germany.
4. Economic advantages for Italy in the Near East.

Chamberlain, Viscount Halifax, Foreign Secretary, and a delegation of six will leave London at 11 A. M. (6 A. M., E. S. T.) tomorrow.

A significant stop "for tea" will be made in Paris with Premier Edouard Daladier and Foreign Minister Georges Bonnet before the British party proceeds to Rome for the visit which will extend from Wednesday through Saturday.

Chamberlain conferred with his key Ministers today and well-informed sources said the British Cabinet and the Prime Minister were prepared to support France in resisting Italian clamor for a share in the French colonial empire.

It also was indicated strongly that Chamberlain would ask Mussolini to relax the Fascist press campaign in which the colonial claims have been advanced.

Chamberlain and Lord Halifax will have slightly more than an hour to canvass that phase of the Mediter-

anean situation with Daladier and Bonnet in their talk over the tea cups.

Jewish Problem To Come Up

Mussolini's open-minded attitude toward an appeal from President Roosevelt for assistance in resettling Jewish refugees raised a far-reaching subject.

Chamberlain likewise has taken a keen interest in the plight of the Jews. While he is in Rome, George Rublee, executive director of the inter-governmental committee for refugees, will be in Berlin for discussions of the problem and the Prime Minister has arranged to be kept informed of the progress of Rublee's visit.

It was considered likely Chamberlain would ask Il Duce to lend his assistance and influence with Chancellor Adolf Hitler.

Progress on the refugee question may emerge as the most constructive topic of the trip to Rome, which Chamberlain has been planning since Mussolini suggested it during their first meeting last September 29 in Munich.

Accord On Spain Doubted

It was considered highly doubtful that any decisions would be reached in Rome on the Spanish civil war.

The Italian press has been reporting openly the activities of Italian legionnaires in the Spanish insurgent offensive in Catalonia. Chamberlain was expected to remind Mussolini of the Italian pledge in the Anglo-Italian treaty of April 16 of respect for the territorial integrity of Spain.

The Prime Minister, it was said, also may argue that the progress of the insurgent offensive makes more convenient the withdrawal of the Italian fighters now in Spain.

Belligerent Rights Are Issue

Mussolini was expected to seek again the granting of belligerent rights to the Insurgents. Chamberlain, however, has given such strong signs of rejecting such a proposal that this whole phase of the discussion may be deadlocked.

While seemingly firm in his intention not to become a go-between in the Italo-French quarrel, Chamberlain was understood to be not averse to discussion of an Italian share in

control of the Suez Canal apart from any colonial clamor.

Control of the canal—vital link between Italy and her East African empire—now rests with the French and British.

Some high quarters speculated that if Mussolini would make a declaration for refugee assistance, Chamberlain would announce a willingness to adjust the Suez Canal situation.

In any case, the Prime Minister will have a full opportunity during his visit to test his theory that more

can be accomplished through face-to-face meetings of heads of governments than by any other method.

Rome Expects To Win Chamberlain To Its Side

Rome, Jan. 9 (AP)—Italians indicated today that Premier Mussolini would tell Neville Chamberlain, British Prime Minister, in their talks beginning here Wednesday what Italy wants from France.

This would be done in the hope that Chamberlain would help Italy achieve her ambitions in eventual negotiations.

If Chamberlain learns Italian demands and intentions, he will be expected to "clear the way of obstacles," as the newspaper La Tribuna expressed it, by putting in a good word with France.

"And if such work is not mediation," Tribuna added, "another name will have to be found to describe it better."

Regarded As Chief Issue

This was an obvious reference to assertions by both the British and French that Britain would not mediate the French-Italian dispute.

Thus Italians showed that they considered their dispute with France the chief subject of discussion awaiting Chamberlain and his Foreign Secretary, Viscount Halifax. They refused to accept the opinion in foreign circles here that the British would do nothing about it.

Any belief the British would fail to make the slightest attempt to "reduce French resistance" to Italian demands, La Tribuna said, "would give the visit a negative significance."

To Take Up Spanish War

Italians and foreigners alike believed the Spanish war would figure in the conversations, as well as all other problems worrying Europe.

The Italians particularly took this view, their attitude being that nothing could be done in Europe any more without Premier Mussolini having a part in it.

For their part, Italians thought the plan of the London Non-Intervention Committee for evacuation of foreign fighters in Spain would be discussed and perhaps modified in a way that might permit settlement of the war.

La Tribuna insisted that in Italian opinion consideration would be given to the fact that Chamberlain "is accustomed to act according to the facts of the situation, and he does not yet know those of Rome."

Ready To Talk Of Jews

Fascists took note of speculation that the problem of finding a haven for Jewish refugees would be discussed.

Absence of critical comment appeared to indicate the Italians were

ready to consider that problem now that President Roosevelt has approached Premier Mussolini. United States Ambassador William Phillips, recently returned from home, has presented the President's request that Premier Mussolini use his influence toward settlement of the refugee problem.

Chamberlain and Halifax were assured a hearty welcome from Italians in any event. While plans for their reception were hardly as elaborate as those for the visit last May of Chancellor Hitler, the Government ordered the city to hang out flags and banners for the duration of the Britons' stay.

Bonnet's Fate At Stake In Tunisia Dispute

Paris, Jan. 9 (AP)—French-Italian tension—marked today by Italy's protest against an anti-Fascist demonstration in Tunisia—provided new ammunition for an attack on the policy of Foreign Minister Georges Bonnet.

Government opponents charged this policy made possible Italian demands for a share in France's Mediterranean and African empire.

Some reports in political circles were that if the attacks on Bonnet should become too pressing in Parliament, opening tomorrow, Premier Edouard Daladier might sacrifice the Foreign Minister to preserve the Cabinet. Daladier himself undoubtedly is strong.

As a whole, the Cabinet has the confidence of the country, but Bonnet, who has become a symbol of the so-called "Munich foreign policy of concessions," is regarded by some as a weak link.

The Foreign Ministry announced today that Italy protested formally to France that during an anti-Fascist demonstration during Premier Daladier's trip last week to Tunisia an Italian flag was torn down and burned.

The Foreign Ministry said a preliminary investigation indicated the incident was unimportant—that a crowd had taken down an Italian flag hanging over a Tunis tailor shop and that the tailor himself did not complain to the police.

However, coming on the eve of the new session of Parliament and of British Prime Minister Chamberlain's arrival en route to Rome, the protest added fresh fuel to the French-Italian dispute.

Daladier conferred immediately with Bonnet on the protest and on its probable effect on their brief talk tomorrow with Chamberlain and the British For-

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sign Secretary, Viscount Halifax, who will stop here for two hours.

Both the French and the British insist there is no question of Chamberlain's acting as mediator in the dispute between France and Italy.

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FRENCH AND ENGLISH INTERESTS IN THE MEDITERRANEAN, HOWEVER, ARE SO INTERRELATED THAT IT IS CONSIDERED IMPOSSIBLE THE BRITISH FOREIGN MINISTER COULD SETTLE HIS COUNTRY'S OWN PROBLEMS WITH MUSSOLINI WITHOUT HAVING A CLEAR IDEA OF A MEANS FOR A SETTLEMENT BETWEEN PARIS AND ROME.

OPPONENTS OF BONNET, CHARGE THE QUESTION WOULD NOT HAVE ARISEN IF FRANCE HAD NOT MADE CONCESSIONS AT THE MUNICH FOUR-POWER CONFERENCE OVER CZECHO-SLOVAKIA IN SEPTEMBER, THEREBY, THEY SAY, GIVING ITALY AN IMPRESSION OF FRENCH WEAKNESS.

OPPONENTS OF THE MUNICH PACT ARE BLAMING DALADIER LESS AND LESS, PARTICULARLY AS HE IS REPORTED TO HAVE SHIFTED FROM THE POINT OF VIEW REPRESENTED BY BONNET TO THAT HELD BY A GROUP OF CABINET MINISTERS BY NAVY MINISTER CESAR CAMPINCHI. THIS GROUP FOUGHT THE MUNICH SETTLEMENT.

THE PREMIER'S TOUR OF NORTH AFRICA, ON WHICH HE STRESSED COLONIAL DEFENSES AND HER DETERMINATION NOT TO CEDE LAND TO ANY IS TAKEN AS EVIDENCE OF A STRONG STAND AGAINST THE ANTI-FRENCH OF THE FASCISTS.

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IN THIS CONNECTION, IT WAS FELT, THE FASCISTS MIGHT BE HOPING TO HAVE CONCLUSIVE AND ABIDING RESULTS TO REPORT FROM SPAIN. ITALIAN LEGIONNAIRES ARE PRAISED DAILY IN THE FASCIST PRESS AS LEADING THE OFFENSIVE AGAINST CATALONIA AND BARCELONA THAT INSURGENT GENERAL-
ISSIMO FRANCISCO FRANCO BEGAN DEC. 23.

JAN 10 1939

ECONOMIC MEASURES MAY FIGURE ON THE GRAND COUNCIL'S PROGRAM, FOLLOWING THE VISIT HERE OF WALTHER FUNK, GERMAN ECONOMICS MINISTER. FUNK SAID THAT "IMPORTANT ECONOMIC NEGOTIATIONS" WERE IN PROGRESS BETWEEN GERMANY AND ITALY, WHICH HE SAID WERE FACED WITH INTERNATIONAL ECONOMIC DEVELOPMENTS MAKING NECESSARY "A NEW UNION OF OUR FORCES."

HE STRESSED ITALIAN-GERMAN ACHIEVEMENTS IN 1938 AND ADDED THAT "WE CONFRONT THE POWER OF GOLD, CREDIT AND CAPITAL WITH THE POWER OF LAND AND OF WORK." FINANCE MINISTER FELICE GUARNIERI ENTERTAINED FUNK AT DINNER LAST NIGHT.

THE VISITOR'S REMARKS WERE INTERPRETED AS SIGNIFICANT IN VIEW OF CHAMBERLAIN'S VISIT JAN. 11-14 BECAUSE THE ITALIAN GOVERNMENT IS KNOWN TO BE ANXIOUS TO INCREASE ITS ECONOMIC RELATIONS WITH GREAT BRITAIN.

JAN 10 1939

LONDON, JAN 9-(AP)—A DEPUTATION OF 400 COMMUNISTS, MANY OF THEM WOMEN, MARCHED TO NO. 10 DOWNING STREET TONIGHT ON THE EVE OF PRIME MINISTER CHAMBERLAIN'S DEPARTURE FOR ROME.

SHOUTING "CHAMBERLAIN MUST GO," THE DEMONSTRATORS HANDED IN A LETTER URGING THE PRIME MINISTER TO REFUSE TO GRANT SPANISH INSURGENTS BELLIGERENT RIGHTS IN HIS TALKS WITH PREMIER MUSSOLINI.

"THE BRITISH PRIME MINISTER'S TIME WOULD BE MORE USEFULLY OCCUPIED IN CONVERSATIONS WITH PRESIDENT ROOSEVELT, THE GOVERNMENT OF SOVIET RUSSIA AND THE DEMOCRATIC COUNTRIES OF EUROPE," THE LETTER SAID.

JAN 10 1939

ROSCAPES

HUNGARY DELAYS RETURN OF ENVOY

Czechoslovakian Frontier Reported Quiet

BUDAPEST, Jan. 9 (A. P.).—Hungary delayed the return of its Minister to Prague today in a strong hint that recent border clashes of armed forces had endangered diplomatic relations with Czechoslovakia. The Minister, Johann Wettstein von Westerhain, is now in Budapest. He explained that he would stay here until relations between the two countries were "clarified."

The border itself was quiet this morning, but the Hungarian press printed a Foreign Office statement that another incident would have far-reaching consequences.

Both countries were reported to be quietly expelling citizens of the other. The Hungarian Revisionist League meanwhile charged that

"German influences" encouraged last week's trouble on the frontier, which brought light artillery into play and resulted in new troop concentrations.

Hungary strengthened her forces near Munkacs, which was shelled last Friday, and at Ungvar, twenty-five miles northeast. Both were formerly in Czechoslovak territory.

There was fresh fighting for a time yesterday. Czechoslovak troops were declared to have bombarded the Hungarian village of Nagygejoc, near Ungvar, with incendiary shells, but no loss of life was reported.

The clashes of Friday and Sunday were on the border of Carpatho-Ukraine, in eastern Czechoslovakia, which Hungary has desired as a part of her territorial acquisitions under the November 2 Vienna award by Italy and Germany.

Czech-Hungary Border Battles Stayed by Truce

Troops Agree to Withdraw From Demarcation Line in Vicinity of Munkacs

PRAGUE, Jan. 9 (P).—A truce was declared tonight in the sporadic warfare over Czecho-Slovak and Hungarian borderlands.

An official dispatch said both the Carpatho-Ukrainian and Hungarian forces agreed to withdraw two kilometers (1.25 miles) from the demarcation line in the Munkacs (Mukacevo) sector where fighting occurred on Friday.

The agreement was reached at Chust (Huszt), capital of Czecho-Slovakia's eastern province of Carpatho-Ukraine, according to the message to Prague.

It was further agreed that only customs officers would remain in the disturbed zone and that an exchange of prisoners would be made immediately.

Meanwhile, George F. Kennan, secretary of the United States Legation at Prague, left for Chust to obtain a first-hand impression of conditions in the Carpatho-Ukraine. The United States Legation is the only foreign diplomatic mission taking such a step.

Troops Concentrated

BUDAPEST, Jan. 9 (AP).—Soldiers strung barbed wire across sun-covered fields along the Hungarian side of the Carpatho-Ukrainian border today, and brisk military movements were reported on both sides of the troubled boundary.

No shooting was reported in the Munkacs and Ungvar districts, but Hungarians reported that a large Czech and Ukrainian force had moved up to the demarcation line at Derczen. The Hungarians said a concentration of Hungarian troops near Derczen forestalled another incident such as that of last Friday, when Munkacs was shelled by Czechoslovak artillery, and the bombardment yesterday of Nagygejocce, a village near Ungvar. Unlike the Munkacs incident, no loss of life was reported from Nagygejocce, where, it was said, incendiary shells were used.

Both Munkacs (Mukacevo) and Ungvar (Uzhorod) were principal cities of Carpatho-Ukraine (Ruthenia) before the post-Munich settlement of Nov. 2, at Vienna, in which 4,875 square miles of Czechoslovakia, including a chunk from the eastern or Carpatho-Ukrainian end, were awarded to Hungary.

Hungary delayed returning its Minister to Prague, strongly hinting that the clashes had endangered relations between the Czechoslovak and Hungarian governments. The Minister, Johann Wettstein von Westerhain, was in Budapest. He explained that he would remain here until relations were "clarified."

The Foreign Office issued a statement that another incident would have far-reaching consequences. Each country was reported quietly expelling citizens of the other. The Hungarian Revisionist League charged that "German influences" played a part in the trouble.

Snow fell intermittently in the zone of friction. Visibility was poor, but observers reported Czechoslovak forces were bringing up materials for building of pontoons near the village of Gat, in a swampy borderland region.

Ban on Benes's Picture Enforced PRAGUE, Czechoslovakia, Jan. 9 (AP).—The government today suspended one teacher and threatened disciplinary action against others for protesting an order banning from classrooms pictures of Thomas G. Masaryk and Eduard Benes, founders of the republic. A government order, branding the teachers' action as "acts of sabotage," held, however, that the picture of the late President Masaryk could appear elsewhere "in its proper place" next to pictures of other leading Czechoslovaks.

AMS-BUDAPEST FIRST ADD NIGHT LEAD HUNGARIAN XXX BORDERL. DIVISION. COMMISSIONS OF CZECHO-SLOVAK AND HUNGARIAN OFFICERS MET AT MUNKACS TO DISCUSS HUNGARIAN DEMANDS THAT CZECHO-SLOVAK TROOPS WITHDRAW STILL FURTHER FROM THE CITY. JAN 10 1939

30.24-1191
YESTERDAY THEY FELL BACK BEYOND RIFLE AND MACHINE-GUN RANGE BUT THE HUNGARIANS DEMANDED THEY RETREAT BEYOND EFFECTIVE ARTILLERY RANGE. NO AGREEMENT WAS REACHED.

HUNGARIAN AUTHORITIES SAID THAT WITH HOSTILE FORCES SEPARATED BY ONLY A SHORT DISTANCE DANGER LAY IN THE POSSIBILITY OF RECKLESS ACTION BY SOME UNDISCIPLINED OR NERVOUS TROOPS. JAN 10 1939

MEANWHILE, ACCORDING TO SEMI-OFFICIAL INFORMATION, BUDAPEST, JAN-9
PREMIER AUGUSTIN VOLOSHIN OF CARPATHO-UKRAINE, CAUSED APOLOGIES TO BE MADE TO THE POLISH CHARGE D'AFFAIRES IN PRAGUE WHO PROTESTED AT THE BREAKING OF SOME WINDOW PANES IN THE POLISH CONSULATE AT SEVLUS, NEAR THE HUNGARIAN BORDER.

THE PREMIER WAS SAID TO HAVE PROMISED A STRICT INVESTIGATION AND EXEMPLARY PUNISHMENT OF THOSE GUILTY. JAN 10 1939

APL GUENSBERS 903D 000 729P

(TANGLED CROSS-CURRENTS IN CARPATHO-UKRAINE RECENTLY HAVE INCLUDED CHARGES BY HUNGARIANS OF GERMAN INFLUENCE THERE, BORDER BATTLES WITH HUNGARIANS AT MUNKACS AND UNGVAR, AND POLISH PROTESTS AGAINST UKRAINIAN ANTI-POLISH PROPAGANDA. CZECHO-SLOVAKS HAVE CHARGED THAT HUNGARIAN REPORTS OF DISORDERS IN THE REGION WERE EXAGGERATED TO GIVE THE IMPRESSION THE PROVINCE WANTS TO QUIT CZECHO-SLOVAKIA AND JOIN HUNGARY.

DOADES JAN 10 1939

HERE AS A STONING OF THE POLISH CONSULATE AT SEVLUS, A CITY IN CARPATHO-UKRAINE (RUTHENIA) ABOUT 20 MILES SOUTH OF MUNKACS.

A POLISH COMMUNIQUE CHARGED THE CONSULATE WAS STONED

BY A REGULAR UNIT OF UKRAINIAN VOLUNTEERS. JAN 10 1939

THE POLES HAVE DEMANDED SATISFACTION ON THE PART OF

THE CZECHO-SLOVAK CENTRAL GOVERNMENT AS WELL AS FROM THE *authorities*

CARPATHO-UKRAINE GOVERNMENT. THEY WARNED PRAGUE THAT A "PARTIAL

SETTLEMENT" WOULD NOT BE ACCEPTED.

THE WARSAW COMMUNIQUE SAID THE CONSULATE HAD CALLED

JAN 10 1939

UPON GENDARMES FOR HELP, BUT ~~THAT~~ THEY REPLIED THAT "BECAUSE

OF OFFICIAL DUTIES THEY HAD NO TIME TO INTERVENE."

SEVLUS, WEST OF CHUST, IS CLOSE TO THE HUNGARIAN BORDER.

WARSAW, JAN. 9--(AP)-- THE GOVERNMENT ANNOUNCED TONIGHT THAT THE POLISH CHARGE D'AFFAIRES IN PRAGUE HAD PROTESTED AT JAN 10 1939 THE CZECHO-SLOVAK FOREIGN OFFICE OVER WHAT IS DESCRIBED OFFICIALLY

TODAY'S ACTION WAS THE FIFTH POLISH DIPLOMATIC ACTION AT PRAGUE SINCE DEC. 19. PREVIOUS PROTESTS ALLEGED THE TEARING OF A POLISH EAGLE FROM A POLISH CONSULATE AT MORAVA OSTRAVA, ANTI-POLISH UKRAINIAN PROPAGANDA AND THE WOUNDING OF POLISH FRONTIER GUARDS BY HAND GRENADES AND MACHINEGUN BULLETS.

CZECHO-SLOVAKIA PROMISED TO INVESTIGATE THE PREVIOUS INCIDENTS.

JAN 10 1939

APL CHRZANOWSKAS 2300 HTM 000 544P

CHAMBERLAIN GIVES FRANCE PLEDGE OF AID

**Assures Daladier London
Backs Paris as to Italian
Demands.**

STOPS BRIEFLY FOR TALK

**British - Prime Minister Then
Hurries On Toward Rome to
Meet Il Duce**

PARIS, Jan. 10 (A. P.).—Prime Minister Neville Chamberlain tonight continued his journey to Rome to meet Premier Benito Mussolini after giving full assurance to France that Britain stood behind her in her brewing quarrel with Italy over the Mediterranean area.

A communique said the "general identity of view previously arrived at between the two governments was fully confirmed" in a Foreign Office conference of Mr. Chamberlain, French Premier Edouard Daladier and foreign ministers of Britain and France.

Before the meeting French Foreign Minister Bonnet issued a formal declaration that the two Powers are agreed in advance to reject any territorial demand on

the French empire.

Mr. Chamberlain and his Foreign Secretary were met by Premier Daladier and Foreign Minister Bonnet at the North Station when they reached Paris en route to Rome.

The four went immediately to the Foreign Office, and were already in animated conversation as they left the station under heavy police guard.

Shortly before the Britons' arrival M. Bonnet issued a formal statement saying that Britain stood with France against yielding to Italian claims for French territory.

In a Cabinet meeting at the Elysee Palace, M. Bonnet told his colleagues that he had received assurance of "the complete accord of the London Cabinet with the French point of view."

This, M. Bonnet said, had been conveyed to him last night by Sir Eric Phipps, British Ambassador to France.

M. Bonnet told the Cabinet meeting of sending a note to London declaring that France could yield no land to meet Fascist claims and that France was too great a Power to bow to the intervention of other states in the dispute. He then gave the Ministers the British reply. The Cabinet gave unanimous approval to the Foreign Minister's action.

Chamberlain Alarmed.

LONDON, Jan. 10 (A. P.).—Prime Minister Neville Chamberlain, alarmed by reports of a new intensive Italian-German campaign for domination of the western Mediterranean, left for Rome today to discover the 1939 aims of the Rome-Berlin-Tokio triangle. Armed with his famous gold-knobbed umbrella, the sixty-nine-year-old Prime Minister boarded the Golden Arrow express for Paris at 11 A. M. (6 A. M., Eastern standard time).

A group of jobless who had gathered to see him off, greeted him with shouts of "Appease the unem-

ployed—not Mussolini."

Mr. Chamberlain carried with him a last-minute report of French Ambassador Charles Corbin, who expressed fears that Germany's new fleet of "minnow submarines" was being built mainly to hamper French-British shipping in the western Mediterranean. In informed quarters it was stated also that this premise together with the success of Generalissimo Francisco Franco's Italian-German supported drive in eastern Spain was causing the Prime Minister a great deal of worry.

Unemployed Demonstrate.

About 500 persons crowded into Downing Street when Mr. Chamberlain left his official residence at 10:51 A. M. Both cheers and cat-calls greeted his wave. Another crowd jammed the platform at Victoria Station, where the group of unemployed paraded past the official party carrying a black coffin.

The French Ambassador met the Prime Minister and Foreign Secretary Viscount Halifax at the station.

Until late yesterday afternoon it appeared that Mr. Chamberlain expected to do little more in his four-day Rome visit than establish personal contact with Premier Mussolini. It is a known theory of the Prime Minister that if he can make a personal friend out of Mussolini, he will be able to hold a restraining hand on the activities of the anti-comintern triangle—Italy, Germany and Japan. After 1939 Mr. Chamberlain hopes the success of Britain's vast rearmament pro-

gram will be sufficient to restrain them.

But last-minute reports swung the spotlight away from Italian cries for a share of the French Mediterranean Empire to the immediate prospect of an insurgent victory in Spain. Official reports here disclosed that Gen. Franco

had not been able to pay for supplies received from Italy and necessarily will be indebted to Mussolini when the war ends.

The same reports indicated Germany had been quietly and successfully gaining control of many important Spanish industries and fortifying herself in a position to threaten British supremacy at Gibraltar.

Mr. Chamberlain goes to Rome apparently believing also that Adolf Hitler intends to increase Mussolini's "nuisance value" in the Mediterranean.

Despite the Anglo-Italian agreement in which Italy disclaimed any intention of trying to change the Mediterranean status quo, informed quarters in London are convinced Germany and Italy intend to establish permanent air and naval bases in the Balearic Islands. Once this is done, British and French military experts admit, the whole allied strategy in a major European land war would have to be altered.

Envoy of Franco in Rome.

SAN SEBASTIAN, Spain, Jan. 10 (A. P.).—The newspaper Hierro Bilbao said today that Eduardo Aunon, national counselor of insurgent Spain, had gone to Rome and had delivered a special message from Insurgent Generalissimo Francisco Franco to Premier Mussolini on the eve of British Prime Minister Chamberlain's visit to Rome.

The newspaper Voz de Espana said editorially that Britain and France had been forced to accept "inevitable victory" for Gen. Franco and predicted that Mr. Chamberlain's conferences with Italian statesmen might produce a "new combination of European forces."

To Stop Over in Paris.

PARIS, Jan. 10 (A. P.).—Authoritative diplomatic sources said today that Prime Minister Chamberlain was expected to advise Premier Mussolini to "make up with France" when they meet in Rome tomorrow.

The British statesman and his Foreign Secretary, Viscount Halifax, allotted the tea time hour to outline the British position to their French associates late today. The exchange was limited to a stop over between trains from London to Rome.

The British negotiators were reported to have abandoned definitely any idea of playing the role of mediator in the French-Italian dispute over Italian colonial aspirations. A qualified informant close to the Foreign Office explained, however, that "Chamberlain and Lord Halifax will advise Il Duce to re-establish normal relations with France and to negotiate directly with the French Government."

French sources reiterated that Premier Daladier now was stronger politically than in the previous two months and that he was holding

firm to his policy against cession of a "single inch of French territory."

What Rome Is Expecting.

ROME, Jan. 10 (A. P.).—Italy made it clear today that she would try to enlist the support of British Prime Minister Chamberlain in her campaign to get concessions from France.

Despite efforts of France to keep the French-Italian dispute off the agenda, the Fascist press indicated it expected this to be the main topic

of conversations starting tomorrow between Mr. Chamberlain and Premier Mussolini.

Newspapers stressed Italy's claims against France over all other matters likely to be discussed. They conceded what they called France's "head-in-the-sand policy," offered a difficulty to the conferees, but in the main took a hopeful view of the outcome.

Il Popolo di Roma reported that London, regarding Mr. Chamberlain and Il Duce as "two men who understand each other," was optimistic. The newspaper added that the British were concerned—both in their own interest and in the interest of general peace—in the "condensation and crystallization of all French egoisms which have provoked the Mediterranean tension."

La Tribuna said that if Chamberlain learns of Italian demands and intentions during his visit here he would be expected to "clear the way of obstacles" by putting in a good word with France.

Among the subjects mentioned by the press as likely to be introduced by Mussolini were cession of the French port of Djibouti on the Gulf of Aden, to Italy and the question of giving Italy a share in the Suez Canal. Newspapers also speculated on the possibility of creation of a Jewish refugee State in Ethiopia.

Preparations were being made for an elaborate welcome of the British Prime Minister when he arrives, with Foreign Secretary Viscount Halifax at Genoa tomorrow. Both Genoa and Rome were being decorated for the occasion. The British party will remain in Italy until Saturday.

Germany Underscores Interest.

BERLIN, Jan. 10 (A. P.).—The Industrial Deutsche Allgemeine Zeitung today stressed the "delicacy" of Prime Minister Chamberlain's visit to Rome in view of strained Italian-French relations and underscored Germany's interest in the visit.

FRANCE READY FOR INLAND SEA

CONFERENCE

**Will Meet Italy Around
Table With All Mediter-
ranean Nations Present**

[By the Associated Press]

Paris, Jan. 10.—Neville Chamberlain, British Prime Minister, today pledged Great Britain to support France in her firm refusal to give in to Italian clamor for part of France's Mediterranean empire.

The two democracies strengthened their cooperation to counter the Italian-German menace to their common life line—the ship route through the Mediterranean and the Suez Canal.

British and French statesmen, however, were understood to have left a way open to prevent tension in the Mediterranean between France and Italy from reaching a deadlock—unless Italy is determined to force the issue.

Some well-informed political sources said the French Government would be willing to meet Italy at a Mediterranean conference table with all other countries bordering on the great inland sea for complete settlement of all Mediterranean problems.

Chamberlain and Viscount Halifax, British Foreign Secretary, conferred with Premier Daladier and Foreign Minister Bonnet, then left Paris for formal appeasement conversations with Mussolini in Rome.

Situation In Brief

After the brief conference—sandwiched between the arrival of the British statesmen's train and their departure for Rome—the situation appeared to be:

France will not give an inch to Fascist agitation, which Daladier has described as "blackmail," and will refuse to let her personal quarrel with Italy be brought be-

fore a conference where Germany or Britain would act as mediators. In this she has Britain's absolute support and Chamberlain will tell Mussolini so.

If Italy is willing, however, to thresh out the entire Mediterranean situation, France will be willing to join a conference of Mediterranean nations which would include Spain, Yugoslavia, Greece, Turkey and Egypt.

The Paris conference in effect served notice on Mussolini that the two democracies stood firm together.

Communique Written Before Talks
Britain's position was announced

earlier by Bonnet. The meeting between the Premiers and their Foreign Ministers merely confirmed it. The outcome of the talks was so certain that the communique telling of the closeness of British and French viewpoints was inadvertently marked: "To be issued after tea."

It had been written by the British on the train before they reached Paris.

Both the French and British statesmen were understood to be increasingly fearful of the attitude taken by Italy and Germany, despite their efforts to draw the Rome-Berlin axis into "friendly cooperation for peace."

Three Causes Of Alarm

This new alarm came from three causes:

1. Germany's exercise of rights under her naval treaty with Great Britain to build her submarine fleet to parity. Germany's Italian partner already has a submarine fleet second only to Soviet Russia's, if not the most powerful in the world.

2. Italy's Mediterranean demands. Even if the two democracies managed to satisfy Il Duce without concessions of territory, the French position would be weakened by allowing Italy an increased voice in Mediterranean affairs.

3. Insurgent successes in the Spanish civil war. Neither Britain nor France has been able to offset Italy's and Germany's influence with Generalissimo Francisco Franco, who is tremendously in debt to Rome and Berlin for men and supplies. Recent reports have revived fears that Italy and Germany were establishing air and naval bases in the Spanish Balearic islands.

Complete Accord Announced

In announcing Britain's position, Bonnet said he had received assurances of "the complete accord of the London Cabinet with the French point of view." The assurances, he said, were conveyed to him last night by Sir Eric Phipps, British Ambassador to Paris.

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After coming after Paris had sent a note to London declaring that France would yield no land to meet Fascist claims and that France was too great a power to bow to the intervention of other states.

The four statesmen began talking the minute Chamberlain and Halifax got off the train. They talked through tea at the Foreign Office and as the

train pulled out at 7.30 O. M. (2.30 P. M. E.S.T.).

At the station Daladier shouted after Chamberlain: "Thank you very much." Chamberlain and Lord Halifax left London this morning at 11 o'clock.

At Victoria Station a group of jobless shouted at them "Appease the unemployed—not Mussolini," and others cheered.

Mussolini Is Expected To Present His Demands

Rome, Jan. 10 (P)—The impression gained ground in diplomatic circles tonight that Premier Mussolini would present his demands on France when British Prime Minister Chamberlain arrives tomorrow to enlist Fascist assistance in warding off war in 1939.

It does not feel it is time for him to collect something for his share in the "Munich peace" of last September, diplomatic sources said.

And while Chamberlain and British Foreign Secretary Viscount Halifax stopped off for tea in Paris with French statesmen Mussolini showed that Paris is within range of his bombing planes.

Bomber Gives Exhibition

On the eve of the Britons' arrival for four days of conferences, a trimotored Italian Savoia-Marchetti bomber with an eleven-ton load circled 1,200 miles over Italy in slightly more than six hours. It flew 205.6 miles in an hour—said to be a speed record under the conditions.

The air-line distance between Rome and Paris is about 750 miles.

France Seen In Toughest Spot She Has Ever Been On

A little more than three months after Munich, Prime Minister Chamberlain is en route to Rome on another "appeasement" mission. Today he is in Paris, getting the French view of the European situation. The following article describes France's predicament today.

By William McGaffin

Paris, Jan. 10 (P)—Democratic France today is like the beautiful lady at the circus who gets on top of a pile of shaky tables and starts rocking back and forth.

Only France is doing it not to thrill the crowd but because she can't help herself. Her very neck is at stake.

It's the toughest spot the Third Republic has ever been on—and it has been on some mighty tough ones in its day.

Says Recovery Program Is Republic's Last Card

A financial crisis of many years standing already had France swinging wide when the prestige-shattering Munich deal cropped up to emphasize the swing. Now there are more financial trouble and internal disharmony.

To pull out, Finance Minister Paul Reynaud has inaugurated a "three-

year recovery program" which he says is democratic France's last card. It is nice to the rich in the hope that rich industrialists will bring their money back from abroad and start industry.

Reynaud said his program of higher indirect taxes and longer hours of work is meant to help labor as much as capital. But organized labor called a general strike, although it flopped when Prime Minister Edouard Daladier applied strong-arm methods. Many say labor has played its trump card. Others say, "just wait!"

Thinks France Has Reason To Cry In Her Wine

Poor old France has reason to cry in her wine. Twenty short years have reversed her fortunes.

Picture her after the war—mighty France who dictated a peace designed to keep Fritz permanently humbled. Germany was surrounded with an "iron ring" of French allies.

France was the topflight military power on the Continent. Germany was weak.

France also had the League of Nations and the Kellogg pact.

They Were Dreaming Of A Fifty-Year Peace

French Foreign Office experts were busily plotting the extension of French hegemony, were dreaming of a fifty-year peace under French direction.

France had a terrific war debt. But business was good. She had Europe's largest gold reserve and was spending money on reconstruction lavishly, for was not Germany to pay the bill?

When Germany became exhausted

the iron ring.

Now Germany is forging an iron ring—and around France. The German and Italian frontiers are both hostile. And if Franco wins the Spanish war most observers say the Spanish frontier will become hostile, too.

Worse still, if Italy retains her bases in the Balearic Islands. France's vital communications with her North African colonies will be in grave danger. And Italy is covetously eyeing Tunisia.

French Air Force

"Is A Washout"

A rearméd, rejuvenated Germany now rules the Continent. France may still have the best army but her air force is a washout. Impartial experts estimate only a few of her "first-line" planes would be a match for the German machines.

France has her Maginot Line of eastern fortifications. But Germany has her Siegfried Line. (Anyway, these are largely negative weapons of defense.)

The League has been all but fatally battered. France has lost her influence in Eastern Europe. Her pact with Russia is virtually void.

France's birth rate is falling alarmingly. She now has only about 42,000,000 people compared to the

nearly 80,000,000 of the enemy across the Rhine (although France's colonies boost her total population to about 100,000,000).

Germany long ago stopped paying reparations. And most of the money she did pay went to the expenses of the French army of occupation.

France has never recovered from the world depression. She is broke and staggering under a huge public debt. If you include the \$4,250,000,000 war debt owed America, France's obligations totaled \$21,250,000,000 at the last official reckoning—and they are getting bigger.

Nation Keeps Going Only By Borrowing

She keeps going only by borrowing, at by devaluing the franc—another form of taxation. The franc has been slashed from approximately twenty cents to less than three cents.

One of the last draws is the armaments race. If she is to keep up, she must spend more and more—exactly the opposite to what she is able to do.

Things are so bad some of France's leaders are urging that she accept a second-class role and concentrate on setting her financial house in order.

Some fear she may go dictatorial. They see in Daladier a Fascist Führer who will take over if France's finances continue in their present desperate plight.

Munich Still Leaves Bad Taste In His Mouth

Daladier's power—for the time being—was demonstrated recently

30.24-1193

when deputies fearing his overthrow rushed to his support on the 1939 ordinary budget vote, raising his majority from a scant seven on the first ballot to 137 on a third vote.

Those who fear a dictatorship find some encouragement, though, in the temper of Jacques Frenchman. He is an individual from the word go, and before he would let anyone tell him what to do, they say, he would kick over the traces. Others aren't so sure.

Anyway, Jacques has a bad taste in his mouth from Munich, and he fears war is still inevitable.

LONDON - JAN - 10

INFORMED BRITISH SOURCES ALSO EXPRESSED THE BELIEF HITLER IS OUT TO OBTAIN THESE THREE OBJECTIVES IN 1939:

1-CARVE A NAZI DOMINATED UKRAINE STATE OUT OF THE CORNERS OF SOVIET RUSSIA, POLAND, CZECHO-SLOVAKIA AND RUMANIA.

2-PEACEFULLY ACQUIRE MEMEL AND THE FREE CITY OF DANZIG.

3-DEVELOP THE TECHNIQUE OF THE ROME-BERLIN-TOKYO TRIANGLE.

MILITARY EXPERTS BELIEVE THE TRIANGLE THEORY IS NOTHING BUT A POLITICAL APPLICATION OF THE TACTICS USED BY THE GERMAN GENERAL LUDENDORF DURING THE WORLD WAR. LUDENDORF ALMOST BEAT THE ALLIES BY STRIKING ON ONE FLANK AND FOLLOWING IMMEDIATELY WITH A CAMPAIGN ON THE OPPOSITE FLANK. EXPERTS SAY THE GERMANS, ITALIANS AND JAPANESE ARE PLANNING CAMPAIGNS FOR 1939 IN THE SAME WAY TO ANNOY AND EVENTUALLY WEAKEN THE BRITISH EMPIRE.

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EARLIER TODAY PARIS DIPLOMATIC SOURCES HAD SAID THAT CHAMBERLAIN, DURING HIS ROME CONFERENCES, WAS EXPECTED TO ADVISE MUSSOLINI TO "MAKE UP WITH FRANCE" ON TERRITORIES CONCERNED IN ITALIAN COLONIAL AMBITIONS—CORSIKA, TUNISIA AND DJIBOUTI, FRENCH GULF OF ADEN PORT AND TERMINUS OF THE RAILROAD TO ETHIOPIA.

SOURCES CLOSE TO THE FOREIGN MINISTRY SAID THE PARIS CONVERSATIONS WERE DEVOTED ALMOST EXCLUSIVELY TO FRENCH-ITALIAN TENSION. THESE SOURCES SAID THE SPANISH CIVIL WAR AND THE QUESTION OF FUTURE GUARANTEES FOR CZECHOSLOVAKIA WERE TOUCHED ON, BUT ONLY IN BRIEF.

✓

THE GUARDEDLY-WORDED COMMUNIQUE DESCRIBING THE TEA-TIME CONVERSATIONS READ:

"WHILE PASSING THROUGH PARIS ON THEIR WAY TO ROME, THE PRIME MINISTER AND LORD HALIFAX TOOK THE OPPORTUNITY OF CALLING ON M. DALADIER AND M. BONNET AT QUAI D'ORSAY. IN THE COURSE OF CONVERSATIONS WHICH TOOK PLACE THE GENERAL IDENTITY OF VIEW PREVIOUSLY ARRIVED AT BETWEEN THE TWO GOVERNMENTS WAS FULLY CONFIRMED."

THE CONVERSATIONS COMPLETELY OVERSHADOWED THE OPENING OF THE FRENCH PARLIAMENT AFTER A NEW YEAR'S RECESS FOR A SESSION WHICH WAS EXPECTED TO DEVELOP INTO AN ATTACK ON BONNET'S FOREIGN POLICY IF THERE WERE ANY SIGNS OF FRENCH-BRITISH WEAKENING.

BOTH THE SENATE AND CHAMBER OPENED WITH TRADITIONAL SPEECHES BY THE DEANS OF THE TWO BODIES.

U636PES

ROME, JAN 10-(AP)-THE IMPRESSION GAINED GROUND IN DIPLOMATIC CIRCLES TONIGHT THAT PREMIER MUSSOLINI WOULD PRESENT HIS DEMANDS ON FRANCE WHEN BRITISH PRIME MINISTER CHAMBERLAIN ARRIVES TOMORROW TO ENLIST FASCIST ASSISTANCE IN VARDING OFF WAR IN 1939.

IL DUCE MUST FEEL IT IS TIME FOR HIM TO COLLECT SOMETHING FOR HIS SHARE IN THE "MUNICH PEACE" OF LAST SEPTEMBER, DIPLOMATIC SOURCES SAID.

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AND WHILE CHAMBERLAIN AND BRITISH FOREIGN SECRETARY VISCOUNT HALIFAX STOPPED OFF FOR TEA IN PARIS WITH FRENCH STATESMEN MUSSOLINI SHOWED THAT PARIS IS WITHIN RANGE OF HIS BOMBING PLANES.

ON THE EVE OF THE BRITONS' ARRIVAL FOR FOUR DAYS OF CONFERENCES, A TRI-MOTORED ITALIAN SAVOIA-MARCHETTI BOMBER WITH AN 11-TON LOAD CIRCLED 1,200 MILES OVER ITALY IN SLIGHTLY MORE THAN SIX HOURS. IT FLEW 209.6 MILES IN AN HOUR--SAID TO BE A SPEED RECORD UNDER THE CONDITIONS.

THE AIRLINE DISTANCE BETWEEN ROME AND PARIS IS ABOUT 750 MILES.

IT IS LESS THAN 500 MILES FROM TURIN TO PARIS.

DIPLOMATS THEORIZED THAT WHEN CHAMBERLAIN IS INFORMED OF THE ITALIAN TERMS HE WOULD BE EXPECTED TO TRANSMIT THEM TO FRANCE AND ADVISE THE FRENCH TO NEGOTIATE WITH THE ITALIANS, AMONG WHOM AN UN-OFFICIAL CAMPAIGN HAS BEEN CONDUCTED FOR TERRITORIAL CONCESSIONS. FRENCH CORSICA, TUNISIA, NICE, SAVOY AND DJIBOUTI HAVE BEEN MENTIONED IN THE ACITATION.

FRENCH SOURCES SAID PARIS WOULD BE WILLING TO NEGOTIATE, BUT NOT UNDER THREATS. THAT WOULD NECESSITATE A CHANGE OF TONE BY THE ITALIAN PRESS WHICH HAS FREQUENTLY ATTACKED FRANCE, THEY SAID.

MOST DIPLOMATS SAW LITTLE CHANCE OF CHAMBERLAIN SELLING THE IDEA OF EUROPEAN APPEASEMENT TO MUSSOLINI ON ANY OTHER BASIS THAN THE FRENCH ACCEPTANCE OF ITALIAN DEMANDS OR SOME TEMPORARY CONCESSION IN SPAIN.

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THEY EXPLAINED THAT MUSSOLINI MUST CARRY THROUGH TO SOME CONCLUSION THE CRY FOR ITALY'S "NATURAL ASPIRATIONS" FIRST VOICED BY FOREIGN MINISTER COUNT GALEAZZO CIANO NOV. 30 AND SINCE TAKEN UP BY FASCIST NEWSPAPERS.

THE PRESS INDICATED TODAY THE FRENCH-ITALIAN DISPUTE WAS EXPECTED TO BE THE CHIEF TOPIC IN THE CHAMBERLAIN-MUSSOLINI CONVERSATIONS DESPITE FRENCH EFFORTS TO KEEP IT OFF THE PROGRAM. NEWSPAPERS TOOK A HOPEFUL VIEW OF THE OUTCOME ALTHOUGH THEY SAID A DIFFICULTY BEFORE THE CONFEREES MIGHT ARISE FROM WHAT THEY CALLED FRANCE'S "HEAD-IN-THE-SAND" POLICY.

THE VIEW WAS EXPRESSED IN POLITICAL CIRCLES HERE THAT IF CHAMBERLAIN RETURNED EMPTY HANDED TO LONDON HE MIGHT SOON FIND HIMSELF AND HIS APPEASEMENT POLICY SCRAPPED BY THE BRITISH ELECTORATE.

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THE ITALIAN PRESS INDICATED IT MIGHT BE SATISFIED WITH:

1. GUARANTEES THAT THE MORE THAN 90,000 ITALIANS IN TUNISIA, FRENCH NORTH AFRICAN PROTECTORATE, COULD RETAIN THEIR ITALIAN CITIZENSHIP AND SPECIAL RIGHTS.
2. A SHARE IN THE CONTROL OF THE SUEZ CANAL, A VITAL CONNECTION BETWEEN ITALY AND ETHIOPIA.
3. A FREE PORT AT DJIBOUTI, IN FRENCH SOMALILAND AND ON THE GULF OF ADEN, AND A CONSIDERABLE SHARE OF THE FRENCH-CONTROLLED RAILROAD BETWEEN DJIBOUTI AND ADDIS ABABA, ETHIOPIA.

THE NEWSPAPER LA TRIBUNA INDICATED, HOWEVER, THAT ITALY HAD NOT ABANDONED CLAIMS TO A SHARE IN THE FRENCH AFRICAN EMPIRE DESPITE FRENCH REFUSALS TO CEDE AN INCH OF TERRITORY.

LA TRIBUNA DECLARED THAT FRANCE OWED A DEBT TO ITALY UNDER THE 1915 TREATY OF LONDON PROMISING ITALY TERRITORIAL "COMPENSATIONS" FOR ENTERING THE WORLD WAR ON THE SIDE OF THE ALLIES.

SOME DIPLOMATIC QUARTERS SUGGESTED THE POSSIBILITY THAT ITALY MIGHT BARGAIN FOR FRENCH CONCESSIONS THROUGH WITHDRAWAL FROM THE SPANISH CIVIL WAR.

EDUARDO AUNOS, NATIONAL COUNSELOR OF INSURGENT SPAIN AND CONSIDERED A SPECIAL ENVOY OF INSURGENT GENERALISSIMO FRANCISCO FRANCO, ARRIVED IN ROME, OSTENSIBLY FOR ECONOMIC NEGOTIATIONS WITH ITALY. IT COULD NOT BE ASCERTAINED WHETHER ANY OTHER SIGNIFICANCE WAS ATTACHED TO THE VISIT.

(A DISPATCH FROM SAN SEBASTIAN, SPAIN, QUOTED THE NEWSPAPER VOZ DE ESPANA AS SAYING EDITORIALLY THAT BRITAIN AND FRANCE HAD BEEN FORCED TO ACCEPT "INEVITABLE VICTORY" FOR FRANCO AND PREDICTING THAT THE CHAMBERLAIN-MUSSOLINI TALKS MIGHT PRODUCE A "NEW COMBINATION OF EUROPEAN FORCES." THE NEWSPAPER HIERRO BILBAO SAID AUNOS DELIVERED A SPECIAL MESSAGE FROM FRANCO TO MUSSOLINI ON THE EVE OF CHAMBERLAIN'S ARRIVAL.)

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DIPLOMATS SAID CHAMBERLAIN MIGHT ADD HIS VOICE TO PRESIDENT ROOSEVELT'S RECENT REQUEST TO MUSSOLINI TO AID IN THE SETTLEMENT OF JEWISH REFUGEES. NEWSPAPERS SPECULATED ON THE POSSIBILITY OF CREATING A JEWISH REFUGEE STATE IN ETHIOPIA.

IL POPOLO DI ROMA REPORTED THAT THE BRITISH WERE CONCERNED, BOTH IN THEIR OWN INTERESTS AND IN THE INTERESTS OF GENERAL PEACE, IN THE "CONDENSATION AND CRYSTALLIZATION OF ALL FRENCH EGOTISMS WHICH HAVE PROVOKED THE MEDITERRANEAN TENSION."

LA TRIBUNA SAID THAT IF CHAMBERLAIN LEARNED OF ITALIAN INTENTIONS DURING HIS VISIT HE WOULD BE EXPECTED TO "CLEAR THE WAY OF OBSTACLES" BY PUTTING IN A GOOD WORD WITH FRANCE.

THE NEWSPAPER ADDED: "IF SUCH WORK IS NOT MEDIATION, ANOTHER NAME WILL HAVE TO BE FOUND TO DESCRIBE IT BETTER." --AN APPARENT REFERENCE TO BRITISH AND FRENCH ASSERTIONS THAT CHAMBERLAIN WOULD NOT ATTEMPT TO MEDIATE THE ITALIAN-FRENCH DISPUTE.

BERLIN, JAN. 10--(AP)--THE TRIENLICH DEUTSCHE ALLGEMEINE ZEITUNG TODAY STRESSED THE "DELICACY" OF PRIME MINISTER CHAMBERLAIN'S VISIT TO ROME IN VIEW OF STRAINED ITALIAN-FRENCH RELATIONS AND UNDERScoreD GERMANY'S INTEREST IN THE VISIT.

THE PAPER SAID THAT "IN VIEW OF FRENCH-ITALIAN TENSION THE VISIT TO ROME OF THE BRITISH PREMIER CHAMBERLAIN HAS INCREASED IN IMPORTANCE TO AN EXTENT WHICH HE COULD NOT HAVE IMAGINED AT THE TIME WHEN HE CONCEIVED THE PLAN TO MEET PREMIER MUSSOLINI."

STRESSING NAZI ECONOMIC INTERESTS IN THE MEDITERRANEAN THROUGH EVER CLOSER COOPERATION OF GERMANY AND ITALY IN EVERY FIELD, THE PAPER SAID THESE INTERESTS WERE MORE UNDERSTANDABLE NOW THAT GERMANY'S SOUTHERNMOST BORDER IS ONLY 90 MILES BY AIR FROM THAT SEA.

THE PAPER ALSO SAID INSURGENT GENERALISSIMO FRANCO'S WINTER OFFENSIVE IN SPAIN MIGHT PLAY AN IMPORTANT ROLE IN THE CHAMBERLAIN-

MUSSOLINI TALKS.

THIS WAS THE COMMENT IN OFFICIAL CIRCLES: "WE ARE NOT JEALOUS OF CHAMBERLAIN'S VISIT TO ROME. HITLER HAS ALWAYS BEEN IN FAVOR OF BILATERAL TALKS. GERMANY WELCOMES ANYTHING THAT TENDS TO CONTRIBUTE TO PEACE IN EUROPE."

JH722AES

Prague Is Astonished By Hungarian Threat

Prague, Wednesday, Jan. 11 (AP)—Hungary's warning that another border violation would result in a Hungarian invasion caused astonishment in Prague political circles today.

It was stated that so far no positive proof had been established that Czecho-Slovakia had been responsible for any border violations.

Instead of accepting the Czecho-Slovak proposal that responsibility be established by a mixed commission, Hungary was resorting to threats in order to hush up the truth, it was declared.

Prague Rejects Demands For Munkacs Damages

Tells Budapest Hungarians
Began Border Clash

PRAGUE, Jan. 10 (AP)—Czecho-Slovakia rejected today a Hungarian demand for compensation for the shelling of Munkacs (Mukacevo), and protested over recent border clashes, for which each nation holds the other responsible.

Prague authorities said the incident at Munkacs, former Czecho-Slovak city ceded to Hungary under the Nov. 2 territorial settlement, started with fire from the Hungarian side. They added that in shelling the area on Friday Czecho-Slovaks fired back to prevent an invasion of Czecho-Slovak territory.

The protest to Budapest was over a border incident on Sunday at Dovhe, southeast of Ungvar (Uzhorod). It said the Hungarian government was equally responsible for the incident and for consequences arising from "this violation of the (border) line and from an attack on Czecho-Slovak territory by Hungarian terrorists and regular military."

The Czecho-Slovak officers, who wore white armbands of truce negotiators were said to have been fired upon.

The Czecho-Slovak note suggested that all armed civil formations and persons with military training be forbidden to approach nearer than 1,500 meters (nearly a mile) of the demarcation line along the entire Carpatho-Ukraine border.

PAYMENT OF DAMAGES BY CZECHO-SLOVAKIA, ACKNOWLEDGMENT OF RESPONSIBILITY FOR THE ATTACK AND PUNISHMENT OF THE INDIVIDUALS RESPONSIBLE.

BT-40PTE

THESE HUNGARIAN CONDITIONS FOR NORMALIZING RELATIONS ALONG THE BORDER ON WHICH THOUSANDS OF HUNGARIAN TROOPS HAVE BEEN ASSEMBLED AND MADE READY FOR ACTION WERE PRESENTED BY A FOREIGN OFFICE OFFICIAL TO THE CZECHO-SLOVAK LEGATION IN BUDAPEST, THE NEWS SERVICE SAID.

PRAGUE, JAN 10-(AP)-CZECHO-SLOVAKIA PROTESTED TO HUNGARY TODAY OVER BORDER CLASHES FOR WHICH EACH NATION HOLDS THE OTHER RESPONSIBLE.

THE FOREIGN MINISTRY INSTRUCTED ITS MINISTER IN BUDAPEST TO PROTEST TO THE HUNGARIAN GOVERNMENT OVER A BORDER INCIDENT AT DOVHE, SOUTHEAST OF UNGVAR, JAN. 8, AND TO SAY THE HUNGARIAN GOVERNMENT WAS EQUALLY RESPONSIBLE FOR THE INCIDENT AND FOR CONSEQUENCES ARISING FROM THIS VIOLATION OF THE (FRONTIER) LINE AND FROM AN ATTACK ON CZECH TERRITORY BY HUNGARIAN TERRORISTS AND REGULAR MILITARY."

THE CZECHS CONTENDED TWO OF THEIR OFFICERS WERE FIRED UPON ALTHOUGH THEY WORE WHITE ARMBANDS DESIGNATING THEM AS TRUCE NEGOTIATORS.

BUDAPEST, JAN 11-(WEDNESDAY)-(AP)-THE INDEPENDENT HUNGARIAN NEWS SERVICE, INFORMACIO, REPORTED TODAY THAT HUNGARY HAD WARNED CZECHO-SLOVAKIA ANOTHER VIOLATION OF HUNGARIAN FRONTIERS BY THE CZECHS WOULD BE ANSWERED BY A PROMPT INVASION OF CZECHO-SLOVAKIA.

THE NEWS SERVICE ALSO REPORTED THAT HUNGARY HAD SERVED NOTICE SHE REFUSED TO RESUME NEGOTIATIONS AS TO THE PRECISE LOCATION OF THE BORDER FIXED IN A GENERAL WAY BY THE VIENNA AWARD, NOV. 2, UNTIL SHE HAD RECEIVED "MATERIAL AND MORAL" SATISFACTION FOR THE LIVES LOST AND PROPERTY DAMAGED BY THE CZECHO-SLOVAK BOMBARDMENT OF MUNKACS LAST FRIDAY.

SUCH "MATERIAL AND MORAL SATISFACTION" WAS DECLARED TO INCLUDE

THE HUNGARIAN FOREIGN OFFICE NEGOTIATOR WAS QUOTED AS SAYING, "IN VIEW OF THE REPEATED ATTACKS AND THE FACT THAT REGULAR CZECH TROOPS PARTICIPATED IT MUST BE ASSUMED THAT THE INCIDENTS WERE A DELIBERATE FEATURE OF CZECH POLICY. SHOULD THERE BE ANOTHER ARMED ASSAULT ON HUNGARIAN TERRITORY FROM THIS QUARTER, THE INVASION WILL NOT ONLY BE REPULSED BY HUNGARIAN TROOPS BUT THE HUNGARIAN TROOPS WILL PURSUE ACROSS THE DEMARCATION LINE INTO CZECHO-SLOVAK TERRITORY."

HE WAS QUOTED BY INFORMACIO AS ADDING, "HUNGARY MAKES THIS DECLARATION WITH FULL APPRECIATION OF THE FACTS THAT ITS ACTION IN SUCH AN EVENT NOT ONLY WOULD DELAY A RESTORATION OF GOOD NEIGHBORLY RELATIONS BUT WOULD MAKE THE SITUATION EVEN MORE CRITICAL."

THE HUNGARIAN FOREIGN OFFICE MADE NO COMMENT ON INFORMACIO'S REPORT, BUT THERE WERE NO CONTRADICTIONS, OFFICIAL OR OTHERWISE.

REUTERS

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IN DIPLOMATIC CIRCLES IT WAS SAID THE SPIRIT OF THE HUNGARIAN BORDER ARMY WHICH IS DEMANDING REVENGE FOR THE MUNKACS ATTACK, IN WHICH HUNGARIANS REPORTED 47 KILLED, INCLUDING SEVEN CZECHO-SLOVAKS,

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WAS CAUSING SOME INTERNATIONAL CONCERN.

THE FORCE ESTIMATED BY SOME OBSERVERS AT SEVERAL HUNDRED THOUSAND MEN, WAS DESCRIBED AS EAGER TO MAKE A CAMPAIGN AND VIGILANTLY "DARING" THE CZECHO-SLOVAKS TO START SOMETHING."

IT WAS POINTED OUT THAT THIS SPIRIT WAS DEMONSTRATED WHEN THE HUNGARIANS INSISTED THE CZECHO-SLOVAK TROOPS WITHDRAW ON THEIR OWN TERRITORY BEYOND RANGE OF GUNS AT MUNKACS.

THE CZECHO-SLOVAKS COUNTERED WITH A PROPOSAL THAT THE HUNGARIANS WITHDRAW AN EQUAL DISTANCE. THE HUNGARIAN ARMY WAS REPORTED HERE TO HAVE REFUSED TO BUDGE AND THE CZECHO-SLOVAKS RETREATED.

(AN OFFICIAL DISPATCH FROM CRUST, CAPITAL OF CZECHO-SLOVAKIA'S EASTERN PROVINCE OF CARPATHO-UKRAINE, YESTERDAY SAID NEGOTIATIONS HAD RESULTED IN A TEMPORARY TRUCE, WITH BOTH SIDES AGREEING TO WITHDRAW ABOUT ONE AND A FOURTH MILES FROM THE BORDER.)

THE HUNGARIAN-CZECHO-SLOVAK MIXED COMMISSION APPOINTED TO INVESTIGATE THE MUNKACS INCIDENT CONTINUED ITS WORK, BUT REPORTED ONLY VAGUELY THAT "PROGRESS IS BEING MADE."

IT WAS UNDERSTOOD IT WAS CONSIDERING THE QUESTION OF DAMAGES AT MUNKACS, WHERE, HUNGARIANS DECLARED, 200 HOUSES WERE DAMAGED BY THE BOMBARDMENT IN AN EIGHT-HOUR BATTLE FRIDAY.

(THE CZECHO-SLOVAK BORDER WAS DRAWN AT VIENNA, NOV. 2 BY ITALY AND GERMANY ACTING AS ARBITRATORS AFTER THE MUNICH ACCORD. BY THIS AWARD HUNGARY RECEIVED MORE THAN 4,500 SQUARE MILES OF TERRITORY, BUT HAS BEEN DISSATISFIED BECAUSE SHE WAS NOT GIVEN A COMMON FRONTIER WITH POLAND BY CESSION OF CARPATHO-UKRAINE.)

NUMEROUS CLASHES HAVE OCCURRED ALONG THE FRONTIER, WITH THE INHABITANTS OFTEN UNCERTAIN WHETHER THEY LIVE IN HUNGARY OR CZECHO-SLOVAKIA BECAUSE THE WORK OF THE DEMARCATION COMMISSION HAS NOT BEEN COMPLETED.

BESIDES THE CLASH AT MUNKACS ALONG THE CARPATHO-UKRAINE BORDER, HUNGARIANS REPORTED THAT CZECHO-SLOVAKS BOMBARDED A VILLAGE NEAR UNGVAR 25 MILES WEST OF MUNKACS, LAST SATURDAY NIGHT AND SUNDAY.

(OTHER CLASHES WERE REPORTED IN THE SAME REGION BY CZECHO-SLOVAKS.

(CZECHO-SLOVAKIA PROTESTED AT ONE OF THESE INCIDENTS AT DOVHE, SOUTHEAST OF UNGVAR, DECLARING THE HUNGARIANS RESPONSIBLE FOR AN ATTACK ON CZECHO-SLOVAK TERRITORY. SHE REJECTED HUNGARIAN DEMANDS FOR THE MUNKACS SHELING.

(HUNGARIAN REVISIONISTS WHO WANT HUNGARY'S POST-WAR BOUNDARIES REVISED OUTWARD HAVE CHARGED THAT THE MUNKACS INCIDENT WAS GERMAN INSPIRED. GERMANY HAS OPPOSED HUNGARIAN AMBITIONS TO ACQUIRE CARPATHO-UKRAINE. SHE HAS BEEN REPORTED IN MANY QUARTERS TO BE PLANNING A SPRING CAMPAIGN OF HER OWN IN THE PROVINCE TO BRING IT, TOGETHER WITH UKRAINIANS IN POLAND, RUMANIA AND SOVIET RUSSIA, INTO A UNITED UKRAINIAN STATE.)

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RECEIVED

KAUNAS, LITHUANIA, JAN. 10--(AP)--DR. ERNST NEUMANN, NAZI LEADER IN THE FORMER GERMAN TERRITORY OF MEMEL, WAS DISCLOSED TODAY TO HAVE FORMED A BROWN-SHIRT CORPS IN MEMEL, SIMILAR TO THE BROWN-UNIFORMED S.A. UNITS IN GERMANY. THE NEW ORGANIZATION WAS SAID TO HAVE ENROLLED 170 MEMBERS. (AFTER NAZI VICTORIES IN MEMEL DIET ELECTIONS DEC. 11, NEUMANN DECLARED THE TIME WAS RIPE FOR MEMEL'S RETURN TO GERMANY.)

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CKENZIE

(MacKenzie) JAN 11 1939
ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JAN. 10--BRITISH PREMIER CHAMBERLAIN'S PARLEY WITH MUSSOLINI IN ITALY WILL BE A REAL SUCCESS FROM THE STANDPOINT OF THE EUROPEAN DEMOCRACIES ONLY IF IT SHOULD RESULT UNEXPECTEDLY IN MAKING

A CRACK IN THE ROME-BERLIN AXIS.

THAT IS SO BECAUSE ENGLAND AND FRANCE JUST RECENTLY CAME TO THE DEFINITE CONCLUSION THAT NAZI LEADER HITLER ISN'T SUSCEPTIBLE TO THEIR POLICY OF APPEASEMENT, OR TO ANY OTHER INFLUENCE EXCEPTING PRESSURE SUCH AS MIGHT BE APPLIED ECONOMICALLY OR POLITICALLY.

SO THEY ARE OUT TO WEAKEN HIM--A FACT WHICH WAS JUST BEGINNING TO PERMEATE WELL INFORMED QUARTERS WHEN I LEFT EUROPE A FEW DAYS AGO.

AN OBVIOUS METHOD OF PROCEDURE IS TO TRY TO SPLIT THE BROTHERHOOD OF THESE TWO PARAMOUNT TOTALITARIAN CHIEFTAINS WHO HAVE BEEN WORKING SO CLOSELY TOGETHER THAT ONE IS THE SHADOW OF THE OTHER.

PROBABLY NO ONE WOULD BE MORE SURPRISED THAN THE AUSTERE MR. CHAMBERLAIN IF MUSSOLINI SHOULD MAKE AN ABOUT-FACE. TRUE, NEUTRAL OBSERVERS GENERALLY BELIEVE IL DUCE WOULD BE HAPPY IF HE FELT FREE TO SAFEGUARD HIS INTERESTS BY SWINGING TOWARDS MIGHTY ENGLAND. LIKE MOST PEOPLE, HE DOESN'T LIKE TO HAVE HIS EGGS ALL IN ONE BASKET.

THE BONDS WHICH BIND HITLER AND MUSSOLINI, HOWEVER, ARE HEAVY. THE LAST THING MUSSOLINI IS LIKELY TO DO AT THIS JUNCTURE IS TO TAKE ANY ACTION WHICH WOULD DRAW HITLER'S HOSTILITY.

APART FROM THIS ULTRA-DELICATE QUESTION, THERE ARE TWO OTHER IMPORTANT ISSUES INTO WHICH MR. CHAMBERLAIN IS BOUND TO GO. ONE IS THE TROUBLE-BREEDING ITALIAN CLAIM TO FRENCH TERRITORIES, AND THE OTHER IS THE CONTINUED ACTIVITY OF THE ROME-BERLIN AXIS IN SUPPORTING SPANISH INSURGENT GENERALISSIMO FRANCO.

AS RECORDS ITALY'S EXPANSIONIST IDEAS, ENGLAND IS ANXIOUS NOT ONLY TO PREVENT A CLASH BETWEEN FRANCE AND ITALY, BUT TO SAFEGUARD HER OWN INTERESTS IN THE MEDITERRANEAN. BRITAIN FEELS THAT HER CONTINUED DOMINATION OF THIS ZONE IS VITAL, SINCE IT PROTECTS HER AFRICAN POSSESSIONS AND IS THE DIRECT ROAD TO HER FAR EASTERN DOMINIONS.

WHILE MANY BELIEVE ITALY'S DEMANDS FOR TERRITORY EXCEED HER PRIVATE OPTIMISM A GOOD DEAL, STILL THERE IS SMALL DOUBT THAT MUSSOLINI IS SERIOUS IN HIS EXPANSIONIST PROGRAM. FEW THINK, HOWEVER, THAT HE IS PREPARED TO GO TO WAR OVER THE MATTER.

THE RAMIFICATIONS OF THE SPANISH WAR ARE INTERLOCKED WITH THE QUESTION OF CONTROL OF THE MEDITERRANEAN, AND WITH THE DOMINATION OF WESTERN EUROPE. A FAMOUS BRITISH STATESMAN SUMMED UP A WIDE-SPREAD BELIEF FOR ME THE OTHER DAY IN LONDON WHEN HE SAID:

"IS THERE ANYBODY SO FOOLISH AS TO BELIEVE THAT ITALY AND GERMANY ARE NOT INTERVENING IN SPAIN FOR WHAT THEY CAN GET OUT OF IT."

"GERMANY IS IN THIS THING," HE CONTINUED, "BECAUSE THE FATHERLAND HAS VOWED TO SMASH FRANCE ONE DAY, AND WANTS TO SURROUND HER WITH HOSTILE FORCES. SPAIN WOULD MAKE A VALUABLE ALLY FOR THE REICH.

"ITALY IS INTERESTED IN HAVING AN ALLY AT THE GATEWAY TO THE MEDITERRANEAN. THAT WOULD BE A SERIOUS MENACE TO BRITAIN'S CONTROL IN THIS ZONE."

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THAT PRETTY WELL SUMS UP WHAT A LOT OF STATESMEN ARE THINKING. AND THAT IS SOMETHING OF A NUT FOR PREMIER CHAMBERLAIN TO CRACK.

SHOULD HE RETURN HOME FROM HIS HUNTING TRIP FAIRLY EMPTY HANDED, IT WOULD CAUSE LITTLE SURPRISE IN ANY OF THE CHANCELLERIES OF EUROPE.

Chamberlain Discloses London And Rome Exchange Arms Data

Says on Arrival in Italy That Accord Is Already Being Put Into Effect — French Claims to Prove Issue.

ROME, Jan 10 (A. P.).—Prime Minister Chamberlain announced tonight that Great Britain and Italy have begun exchanging military information under the terms of the Anglo-Italian agreement reached last year.

Speaking at a banquet which Premier Mussolini gave in his honor at the Palazzo Venezia, Mr. Chamberlain said it was "noteworthy" that the two Governments "yes, yesterday, here and in London, were able to proceed to an exchange of military information." Mr. Cham-

berlain said that the Mediterranean interests of the two nations, "while of vital importance to us both, need in no way conflict."

Before leaving London for his appeasement talks here, Mr. Chamberlain was represented as being concerned lest the current insurgent

offensive in Spain, in which the Italians are playing an important part, might complicate Anglo-Italian relations in the Mediterranean area.

Goes Into Conference

Mr. Chamberlain almost immediately after arrival in Rome went into conference with Il Duce, seeking to learn the Italian Premier's terms for co-operation in Britain's appeasement program.

Less than two hours after a spectacular welcome at the railway station the British and Italian Premiers and their respective Foreign Ministers were closeted for sixty minutes in Il Duce's office in the Palazzo Venezia.

The negotiations opened in a cordial atmosphere but faced grave difficulties. The Italians left no doubt that the first problem would be their claims for a new colonial deal in Africa at the expense of France, which already has registered her objection to Mr. Chamberlain's dealing with this issue.

Deadlock on Spain Holds.

The British considered settling the Spanish civil war as perhaps the greatest question involved in

Mr. Chamberlain's four-day visit, but the Italians indicated that Mr. Duce would inform the Prime Minister that he prefers to let insurgent Generalissimo Francisco Franco fight on to a final victory.

Mr. Duce and his son-in-law and Foreign Minister, Count Galeazzo Ciano, met Mr. Chamberlain and his Foreign Secretary, Viscount Halifax, at the railway station when they arrived at 4:17 P. M. (10:17 A. M. New York time).

The search for peace for appeasement began less than two hours later, when Mr. Chamberlain and Lord Halifax called on Premier Mussolini at his office in the Palazzo Venezia.

A great crowd had gathered in the square under Mr. Duce's balcony to witness the Britons' arrival and cheered Mr. Chamberlain heartily when he rolled up in an automobile with Count Ciano. The Prime Minister waved his silk hat in acknowledgment.

Previously Mr. Chamberlain and Lord Halifax had called at the

Royal Palace to sign the register as official guests of the Italian Government.

In Conference for an Hour.

The Britons were with Premier Mussolini and his Foreign Minister exactly an hour. They left Mr. Duce's palace by a side door.

Before the Britons' arrival a Fascist spokesman sounded a warning that they would be expected to hear Italy's claims on France, that there must be no deal for ending the Spanish civil war and that Germany and Italy stood steadfast together.

Virginio Gayda wrote in *Il Giornale d'Italia* that every chief of Government who intends to pursue a policy of European co-operation should show "a clear understanding and calm and timely appraisal of the needs, interests and rights" of Italy and Germany.

As Premier Mussolini, smiling broadly, stepped forward to shake Mr. Chamberlain's hand, a military band struck up "God Save the King" and followed this with Italian and Fascist party anthems.

Chamberlain Reviews Guard.

A military guard of honor snapped to attention, presented arms and was reviewed by the British Prime Minister and his host.

The station was draped with British and Italian colors. Attending Premier Mussolini were high Government and party officials, including Achille Starace, secretary-general of the Fascist party, and Gen. Luigi Russo, chief of staff of the Fascist militia.

British and Italian flags hung from windows and public buildings in honor of the visitors, but otherwise Rome displayed little holiday dress, in contrast with the lavish welcome given Reichsfuehrer Hitler

on his visit last May.

Mr. Chamberlain, however, seemed moved by the warmth of Mr. Duce's reception. He wore formal morning clothes and carried his famous umbrella, while Premier Mussolini and Count Ciano were clad in gray green uniforms of commander and general of the Fascist militia.

Conducted to Platform.

Premier Mussolini conducted Mr. Chamberlain over a red carpet to a special stand of honor on a platform, where they stood while Italian dignitaries and about 1,000 members of the British colony in Rome cheered.

Guests and hosts left the sta

through ranks of Mr. Duce's elite bodyguard, composed of towering blackshirts with death's head insignia on their caps, to signify that they have sworn to die if necessary in protecting their chief.

A fleet of automobiles carried the party through streets lined by troops and cheering Italians to the Villa Madama, the Government's guest house.

Mr. Chamberlain's train crossed the frontier under snowy Alpine peaks at 5:25 A. M. and sped down into the plain of Piedmont to beflagged Genoa whence, after an official welcome, the route led to Rome. A detachment of troops lined the Genoa station platform, a military band played British and Italian anthems, Italian authorities greeted the Premier, and 300 members of the British colony sang "He's a Jolly Good Fellow."

Spanish Deal Is Spiked.

Shortly before Mr. Chamberlain's arrival in Rome a Fascist spokesman sought to forestall talk of a deal to end the Spanish civil war.

Virginio Gayda wrote in *Il Giornale d'Italia* that there is no Spanish question for discussion with Great Britain. Italy, he said, "has loyally fixed her position, and history which is rapidly in the making is creating its fated and just epilogue."

This was regarded in foreign circles as meaning only one thing—that Premier Mussolini has promised to back Generalissimo Francisco Franco until he wins and intends to fulfill that promise. Italy believes that the insurgents' current drive toward Barcelona, in which many Italian troops are engaged, will yield an early victory.

Mr. Chamberlain and Lord Viscount Halifax, with their aids, came straight from a Paris conference with Premier Edouard Daladier and Foreign Minister Georges Bonnet—at which British-French determination to stand firm against Italian demands was re-emphasized.

It made it plain in Rome, however, that Premier Mussolini would place the demands against France squarely before the British Minister

—despite the wish of Paris that Mr. Chamberlain not mediate on territorial concessions. Satisfaction of such demands, from the Fascist point of view, is a natural sequel to Munich and imperative to the European appeasement which Mr. Chamberlain seeks.

Faces Difficult Task.

Diplomatic circles predicted that the Prime Minister would find a difficult task here. Some even saw the future of the British-French alliance at stake in the deliberations. In addition to the French colonial dispute, these persons saw threats to British and French prestige in the open Italian participation in the present Spanish insurgent offensive and in reports that Germany plans to use her new submarine fleet in the Mediterranean.

As for the colonial agitation, the impression gained ground among diplomatic observers that Premier Mussolini would press them because he likely feels it is time for him to collect something for his share in the Munich peace of last September, by which Italy, Germany, Britain and France agreed to absorption of Czechoslovak Sudetenland by Germany and to adjustment of Hungarian and Polish territorial claims upon Czechoslovakia.

Demands Outlined.

Italian press agitation has indicated these demands which might be satisfactory to Italy: A guaranty that the 90,000 Italians in Tunisia, French North African protectorate, could retain their Italian citizenship and enjoy special privileges; a share in control of the Suez Canal; a free port in Djibouti, Gulf of Aden Port in French Somaliland, and a share of the French-controlled railroad between Djibouti and Addis Ababa, Italian conquered capital of Ethiopia.

Mr. Chamberlain begins the official conversations with Mussolini tomorrow, but there would be an opportunity for a preliminary exchange of views at tonight's banquet Mr. Duce prepared for the British visitors at the Palazzo Venezia.

An indication of Fascist feeling was given in the newspapers *Il Messaggero* and *Il Popolo di Roma*.

Il Popolo asserted that the Italian

people regarded Mr. Chamberlain as a friend in need for speaking against sanctions in the Ethiopian war, which England now knows to have been a "policy of lunacy."

Il Messaggero said that in the problems of the day "imperial Italy has a leading role; she proceeds resolutely along the way she has mapped out and expresses her thoughts and intentions without ambiguity, without reticence and without hesitation."

The paper dismissed Premier

lady's tea for Mr. Chamberlain in Paris as having brought "unrequested advice and alarmist warnings."

CHAMBERLAIN AND DUCE TELL OF PEACE HOPE

But Mussolini Insists "On Justice"

Leaders Meet In Rome For First Of Talks "On Appeasement"

No Broadcast

New York, Jan. 11 (AP)—Two American broadcasting chains reported tonight that Rome authorities had made impossible scheduled short-wave broadcasts on the Mussolini-Chamberlain talks. Correspondents were to have broadcast at 6:30 P. M. (E. S. T.).

The National Broadcasting Company said that shortly before its correspondent was to have spoken he cabled, "facilities denied." The Columbia Broadcasting System's speaker cabled "broadcast impossible" a half hour before he was to have gone on the air. British broadcasts, however, were allowed.

[By the Associated Press]

Rome, Jan. 11—Premier Benito Mussolini of Italy and Prime Minister Neville Chamberlain of Great Britain assured each other they desired peace—but defined their objectives differently—tonight at a brilliant state banquet arranged for the British statesman who sought to bring his European appeasement policy to the Mediterranean.

Mussolini, toasting Chamberlain at

the dinner in the Palazzo Venezia, invoked "peace with justice."

Chamberlain spoke for peace "by the method of negotiation."

Duce's Definition

Foreign observers saw in Mussolini's definition an expression of a view frequently stated in recent weeks by his authoritative spokesmen that without colonial concessions for Italy and Germany there could be no appeasement in Europe.

In other words, Italy insists she be treated with justice, first of all.

Chamberlain's declaration was seen in these same quarters as an admonition that appeasement could not be realized unless the Fascist claims were put forward in diplomatic form.

So far Italy's demand for recognition of her claims in France's Tunisia, Corsica, Djibouti and a share in control of the Suez Canal have been articulated almost entirely through her high-pressure propaganda campaign.

Exchange Information

In his toast, the elderly British Prime Minister, who received a warm welcome upon his arrival at 4:17 P. M. (10:17 A. M., E. S. T.) in company with his Foreign Minister, Viscount Halifax, and a party of Foreign Office experts, announced that Britain and Italy already had begun an exchange of military information.

This was in accordance with the terms of their Easter friendship treaty which was made effective November 16.

It was noteworthy, he said, that the two Governments "yesterday, here and in London, were able to proceed to an exchange of military information."

Sees No Conflict

He added that the Mediterranean interests of the two countries, "while of vital importance to us both, need in no way conflict," a statement that political circles interpreted as indicating his desire for an agreement on the Spanish question.

Fascist sources said the civil war there, in which Italians are helping the insurgents, was solving its own problem through insurgent victory.

But British quarters declared the Prime Minister desired more concrete assurances from Italy in view of Italy's participation in the present insurgent offensive.

Fearful Of "Life Line"

Before leaving London for his Rome trip, Chamberlain was represented as fearful of increased Italian influence in the Mediterranean, through which passes Britain's "life line" to parts of her empire, should insurgents win in Spain as a result of Italian aid.

After the reception which followed the banquet, Mussolini and his Foreign Minister, Count Galeazzo Ciano, escorted Chamberlain and Lord Halifax through the museum which forms a part of Mr. Duce's palace. They chatted cordially in English.

Go To Their Villa

Exactly at midnight they said good-night to their guests at the palace door, the Englishmen going to the Villa Madama and Mussolini to his office in the palace.

While many Britons doubted any concrete political accomplishment would come from the visit, one exceptionally well-informed British source said after the banquet that Chamberlain had found Mussolini's attitude "encouraging" and that the outlook

was less pessimistic than others believed.

The elderly Briton, trying to avert war "in our time" by the idea of peaceful negotiation of claims and demands, undertook the task less than two hours after he arrived in Rome.

Chamberlain's first ninety-minute call on Mussolini, a British spokesman said, was devoted to a general survey of the European situation. The spokesman added that a "tour of the horizon" was made and the conversations were very cordial.

The next talks were scheduled for 5:30 P. M. Thursday (11:30 A. M., E. S. T.) among the two Premiers, Lord Halifax and Count Galeazzo Ciano, Mussolini's son-in-law and Foreign Minister.

Chamberlain and Mr. Duce are known to regard the scope of their four-day talks as highly flexible, but a communique issued in Paris yesterday after Chamberlain and Halifax had tea with French statesmen was taken to indicate Britain supported France in refusing to cede any French territory—like Corsica or Tunisia—for which Italians have been clamoring since November 30.

Insists On Discussion

Italians have insisted this point must be discussed. Virginio Gayda, an editor who usually reflects Italian official opinion, wrote in a way that was interpreted as meaning Mussolini still was determined to back insurgent Generalissimo Francisco Franco until he wins in Spain and that the Italian Premier was not disposed to consider any Spanish settlement other than a clear-cut victory.

Gayda said in the newspaper *Giornale d'Italia* that every chief of government who intends to pursue a policy of European cooperation should show "a clear understanding and calm and timely appraisal of the needs, interests and rights" of Italy

and Germany.

Disagree With Americans

A highly placed Fascist said Italians failed to share the views attributed to the United States Ambassadors, William C. Bullitt and Joseph P. Kennedy, who testified yesterday before Washington Congressional committees that there was great danger of war in the spring.

Italians said they acknowledged that the danger of war had not yet been averted, but they said that a conflict easily could be avoided in a settlement of Italian demands on France and that they felt the Spanish civil war had passed a phase in which it threatened to explode over Europe.

One Fascist in a responsible position estimated there was a 4-to-1 chance against war.

Dense crowds cheered Chamberlain and gave him an impressive welcome at the railway station when the Britons arrived and when they called on Mussolini at his office in the Palazzo Venezia.

Flags, flowers and floodlights made a brilliant scene within the station, filled with Fascists in gray-green uniforms, the British Embassy staff in formal attire, officers adorned with gold braid and Rome's British colony.

Flags and flares gave a gala air to the Palazzo Venezia (Venice Square) when the visitor first consulted with Mussolini. Later they were guests at dinner served to 200 persons and finally were presented at a Fascist reception for 1,600 guests.

Broad smiles on Mussolini's usually stern face and the excitement of the crowd gave evidence of joy at the visit, out of which Italy hopes much will come.

The Prime Minister waved his silk hat to the crowd to acknowledge the cheers as he drove to Mussolini's office in an automobile with Ciano. Previously Chamberlain and Halifax called at the Royal Palace to sign the register as official guests of the Italian Government.

Italian circles it was said neither Chamberlain nor Mussolini had fixed political programs for the discussions, but would go over the whole range of European problems, particularly Italy's, but including Chancellor Adolf Hitler's unsatisfied aspirations.

Germany May Retire

From Spain Committee

Berlin, Jan. 11 (AP)—A source close to the German Government said today that failure of Prime Minister Neville Chamberlain and Premier Benito Mussolini to see eye to eye on a swift conclusion of the Spanish war might lead to withdrawal of Germany and Italy from the Spanish Non-Intervention

Committee.

Germany, it was said, was critic of English and French press reports of the war, which were characterized as "side-line applause" of the Spanish Government's counter-offensive against insurgents in southwestern Spain.

Berlin I "Status Quo"

BERLIN, Jan. 11 (AP).—"Deutsch Diplomatisches-Politische Korrespondenz," semi-official mouthpiece of the German Foreign Office, noted Prime Minister Chamberlain's arrival in Rome today with the comment that "the famed Mediterranean status quo" which Italy and Britain have promised to respect "is far from a constant reality."

It expressed hope the British Prime Minister's talks in Rome would "satisfy expectations" of Germany's Fascist friends and added that the visit could not be regarded simply as sealing last year's Anglo-Italian agreement, which sought to maintain such a status quo.

"Korrespondenz" asserted there were a number of spots in the Mediterranean which could not be regarded as satisfactorily adjusted, mentioning Syria, Palestine and Spain. It added:

"That the position of Italy in the Mediterranean area has completely changed and therefore has presented other claims is a fact before which the world cannot close its eyes. The Mediterranean is today no longer the dwelling place of a people which a few decades ago succumbed to every possible foreign influence. A new great power has arisen in the mean time in this living space."

"One can only hope today," the publication said, "that the new fact of a united Italian nation, which certainly is aware of its strong friends, and her legitimate needs will be taken into account."

have pursued a program of conciliation and peace have found a most sincere appreciation in my country, which has always believed in peace founded on justice, which has been and is the ultimate goal to which the policy of Fascist Italy has been and is directed.

The Italo-British accord, which entered recently into force, has placed the relations between Great Britain and Italy on a solid basis, and not only has reconstituted upon a new basis of understanding and in a new Mediterranean and African reality the friendship between the two countries, but also has opened a way to collaboration, which, being a necessary element for the peace of Europe, we hope will be both lasting and fruitful.

With this wish, to which I add my most sincere sentiments of friendship for you personally, I raise, Excellency, my glass in honor of His Majesty the King of Great Britain, Ireland and the British Dominions beyond the seas, Emperor of India, to your health and to the greatness and prosperity of your nation.

Chamberlain's Toast

I have been greatly touched by the cordial sentiments which Your Excellency has just expressed toward myself and my country, and both the Foreign Secretary [Lord Halifax] and myself have been deeply moved by the warmth of the reception accorded to us on our arrival in the capital of the Italian empire.

It is a real pleasure to both of us to revisit this country and this city, which, through the ages has notably inspired much of man's highest thought and achievements.

yesterday here and in London to proceed to the exchange of military information which it provides.

Convinced as we are that our interests in the Mediterranean, while of vital importance to us both, yet need in no way conflict with one another, we believe that agreement has opened a new chapter of friendship and concord between us which should prove fruitful for the future stability of Europe.

It is as a representative of a great nation whose desire it is to remain on close, friendly and even intimate relations with another great nation that I am here today. Your Excellency has been good enough to refer in flattering terms to my part in finding a solution of problems which last September were weighing upon the life of Europe. I should like to repeat what I have said before, that we are all deeply indebted to Your Excellency for your help and co-operation which contributed so decisively to the peaceful result of the Munich conference.

Assuring Your Excellency that I value highly your expressions of personal friendship and with the hope that our two nations may together co-operate in the task of securing lasting peace in Europe, I raise my glass to His Majesty the King of Italy and Emperor of Ethiopia, and to continued welfare and prosperity of the peoples over whom he rules.

BERLIN, JAN-11

THIS PRESS ATTITUDE WAS INTERPRETED AS AN EFFORT TO "PUT IN DOUBT ONCE MORE AT THE ELEVENTH HOUR" A VICTORY FOR FRANCO, THE INFORMED SOURCE SAID. GERMAN GOVERNMENT QUARTERS STRESSED THE "UNANIMITY" OF THE ITALIAN-GERMAN CONCEPTION OF THE SPANISH PROBLEM, WHICH THEY SAID WAS BASED "NOT ON EGOTISTICAL INTERESTS BUT ON THE PRINCIPLE THAT ORDER MUST EMERGE VICTORIOUS OVER ANARCHY."

(TWENTY-SIX NATIONS ARE MEMBERS OF THE NONINTERVENTION COMMITTEE, SET UP IN THE FIRST MONTHS OF THE SPANISH CIVIL WAR TO KEEP FOREIGN ARMS OUT OF SPAIN.)

DEUTSCHE DIPLOMATISCH-POLITISCHE KORRESPONDENZ, SEMI-OFFICIAL MOUTHPIECE OF THE FOREIGN OFFICE, EXPRESSED THE HOPE THAT CHAMBERLAIN'S TALKS WITH MUSSOLINI IN ROME WOULD "SATISFY EXPECTATIONS" OF GERMANY'S FASCIST FRIENDS.

IT SPOKE OF A NUMBER OF SPOTS IN THE MEDITERRANEAN--SUCH AS SYRIA, PALESTINE AND SPAIN--WHICH IT SAID COULD NOT BE REGARDED AS SATISFACTORILY ADJUSTED AND SAID THE "FAMED MEDITERRANEAN STATUS QUO" WHICH ITALY AND BRITAIN HAVE PROMISED TO RESPECT, IS FAR FROM A

ANT REALITY.

Toasts Exchanged at Rome

ROME, Jan. 11 (AP).—Following are the texts of the toasts given by Premier Benito Mussolini of Italy and Prime Minister Neville Chamberlain of Great Britain at the banquet in Mr. Chamberlain's honor in the Palazzo Venezia tonight:

Mussolini's Toast

Mr. Prime Minister: I am happy to give you and Lord Halifax [British Foreign Secretary Viscount Halifax] my cordial welcome and that of the Fascist government in Italy and Rome, which in greeting you as guests and representatives of a great and friendly nation wishes to assure you of the sympathy with which the Italian people have followed and follow your work and that of your government.

Your spirit of comprehension and the firmness with which you have personally co-operated for an equitable solution of the problems which were weighing down on the life of Europe during September, and the tenacity with which you

to see with our own eyes the new Italy, powerful and progressive, which has arisen under Your Excellency's guidance and inspiration.

I have come here in pursuit of the policy for which I stand—the policy of friendship with all and of enmity with none and a policy directed to a just and peaceful solution of international difficulties by the method of negotiation. I am happy to think our two governments have been able to give concrete expression to this policy, for it was in this spirit they concluded last spring the Anglo-Italian agreement which has just been put into force.

It is noteworthy that as one of the first fruits of this agreement our two governments were able

War In Spring? Europe May Know In Four Days

Chamberlain-Mussolini Talks Viewed With Mixed Fear And Hope—Kennedy-Bullitt Reports Carefully Studied Abroad

[By the Associated Press]

London, Jan. 11 — The next few weeks, perhaps the next four days, may determine whether there is justification for predictions attributed to American diplomats that another world war may begin next spring.

So engrossed was Europe in Prime Minister Neville Chamberlain's rival in Rome today for four days conversations with Premier Mussolini that scant public

was given to testimony of Ambassadors Joseph P. Kennedy and William C. Bullitt before the House and Senate Military Committees in Washington.

Officials of various governments

carefully digested available Washington reports of the testimony by the American envoys to Britain and France; they did not comment, however, because of the delicacy of the

situation here.

Factors Threatening War

German ambitions for domination of the Ukraine and Italian agitation for colonial concessions from France generally were regarded as potential destroyers of peace, but not the only ones. The Chamberlain-Mussolini talks may decide the turn these potential dangers may take.

London hoped the Prime Minister

could persuade France and Italy to be friends again—a situation which might enable the English-French allies eventually to drive a wedge in the Rome-Berlin axis.

Berlin observers assert Chancellor Adolf Hitler has already consulted Poland about his ripening plans to bring the Ukraine under Nazi domination.

"Surprise In The Spring"

Unconfirmed but frequent rumors have flown about London that Hitler plans a "surprise in the spring."

Reports that Col. Charles A. Lindbergh had warned that the German air

force was far superior to that of Britain or France caused more disquiet here than the testimony of the Ambassadors in Washington.

The British now generally credit those views with having had much weight upon the attitude of the Government during the September Czecho-Slovak crisis.

French Papers Deal Briefly With Envoys

Paris, Jan. 11 (AP) — Paris morning newspapers published brief dispatches

on the appearance of the American Ambassadors to London and Paris before the Military Affairs Committee in Washington yesterday, but there was no editorial comment.

A majority of the special dispatches emphasized the unusual procedure of diplomatic representatives meeting with Congressional committees.

30.24-1201
CONCERN WAS FELT OVER UNREST IN CENTRAL EUROPE FOLLOWING DISMEMBERMENT OF CZECHO-SLOVAKIA AND THE GROWING SERIES OF CZECH-HUNGARIAN AND CZECH-POLISH BORDER INCIDENTS. JAN 12 1939

TENSENESS OF THE SITUATION WAS ILLUSTRATED BY WHAT WAS REPORTED TO BE A HUNGARIAN WARNING LAST NIGHT THAT ANY FURTHER "FRONTIER VIOLATION" BY THE CZECHS WOULD START HUNGARIAN FORCES INTO CZECHO-SLOVAKIA.

THE MUNICH AGREEMENT, WHICH CHAMBERLAIN HAILED AS MEANING "PEACE FOR OUR TIME," HAS SPURRED EUROPE'S FURIOUS REARMAMENT.

RECENTLY SEVERAL LONDON NEWSPAPERS IN A SERIES OF ARTICLES DISCOUNTED REPORTS OF GERMANY'S AIR MIGHT ATTRIBUTED TO LINDBERGH.

AVIATION EDITORS, WHILE ADMITTING GERMANY'S PRESENT NUMERICAL SUPERIORITY, CLAIMED THE GAP RAPIDLY WAS BEING CLOSED AND THAT BRITAIN'S PILOTS ARE SUPERIOR IN QUALITY.

KEY RUSSIA, WHILE THE PRESS WAS HARSHLY TOWARD LINDBERGH WHEN HE WAS REPORTED TO HAVE BELITTLED THE SOVIET AIRFORCE DURING THE CZECHO-SLOVAK CRISIS, THERE WAS A GENERAL ATTITUDE OF SCEPTICISM TOWARD HIS NEWEST VIEWS.

FRENCH REACTION TO THE TESTIMONY OF THE TWO AMBASSADORS WAS THAT THEIR PESSIMISM WAS "FULLY JUSTIFIED." JAN 12 1939

"IT IS UP TO ITALY," WAS THE ATTITUDE IN FOREIGN OFFICE CIRCLES IN REGARD TO STATEMENTS ATTRIBUTED TO KENNEDY THAT WAR MIGHT START NEXT SPRING AND THAT AN ITALIAN ATTEMPT TO SEIZE FRENCH TUNISIA MIGHT BE THE FIRST MOVE.

THESE SOURCES SAID THE FRENCH POSITION OF MAKING NO CONCESSIONS TO ITALY WAS CLEAR AND THAT THE ONLY POSSIBILITY OF DISCUSSION WOULD BE A GENERAL MEDITERRANEAN CONFERENCE INCLUDING ALL NATIONS WITH INTERESTS IN THAT SEA.

30.24-1201
THE BERLIN NEWSPAPER NACHTAUSGABE UNDER FRONT PAGE BANNERLINES PUBLISHED DISPATCHES DESCRIBING THE KENNEDY-BULLITT TESTIMONY, WHICH THE PAPER CALLED A "CHESSBOARD MANEUVER BY ROOSEVELT" AND "TRANSPARENT TRICK OF ARMAMENT POLITICIANS."

ONE HEADLINE READ, "UNITED STATES AMBASSADORS IN PARIS AND LONDON INSTILL WAR FEAR IN AMERICA," NACHTAUSGABE'S COMMENT WAS, "THE SPOTLIGHT FOCUSED UPON THE (AMBASSADORS') REPORTS SHOWS THEIR TESTIMONY HAS LITTLE IN COMMON WITH EUROPEAN REALITY." JAN 12 1939

HT940AES

Reich Would "Break Its Neck" In Drive East, Moscow Holds

By the Associated Press.

MOSCOW, Jan. 11. — Moscow commentators today sharply discounted any predictions of a war next spring over the Ukraine.

Chancellor Hitler was regarded in Moscow as too weak to attack the Ukraine, a constituent republic of Soviet Russia, since the view here was that such an attack automatically would involve him in a war for which he still is far from prepared.

The Soviet viewpoint seemed to be that the aim of ruling groups in England and France was to rescue Fascist dictatorship from collapse.

Le Journal De Moscou, regarded as frequently expressing Foreign Office views, characterized the visit of Prime Minister Chamberlain to Rome as a further step in the policy of capitulation.

The journal said there was every indication Hitler would continue pressure for western European concessions rather than head eastward where "the power of Fascist Germany would inevitably break its neck."

It was said in some Soviet circles that Hitler could not get aid now from Japan—a partner with Ger-

many and Italy in the anti-Comintern pact—because of the fighting in China.

Some foreign observers were inclined to accept the part of the Soviet view that Hitler was following the line of least resistance, but said they thought that line led southeastward, in the direction of Rumania.

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MOSCOW - JAN - 11
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MILITARY COMMITTEES BY JOSEPH P. KENNEDY, AMBASSADOR TO GREAT BRITAIN,
AND WILLIAM C. BULLIETT, AMBASSADOR TO FRANCE.

(A COMMITTEE MEMBER SAID THE DIPLOMATS INFORMED THE GROUPS THAT
GRAVE DEVELOPMENTS IN EUROPE INDICATED ANOTHER WORLD WAR MIGHT BEGIN
NEXT SPRING. THE MEMBER QUOTED KENNEDY AS SAYING THE CONFLICT MIGHT
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"IT IS NOTED THAT SOME FRENCH AND BRITISH NEWSPAPERS ARE EVEN MORE
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LIMOGES, FRANCE, JAN. 11-(AP)-THIS FAMOUS CHINA MANUFACTURING
TOWN ANNOUNCED PREPARATIONS WERE COMPLETED TODAY FOR PRESENTATION
OF GIFTS TO PRESIDENT ROOSEVELT AND PREMIERS CHAMBERLAIN AND
DALADIER FOR "KEEPING THE WORLD OUT OF WAR."

A POPULAR SUBSCRIPTION WAS STARTED LAST OCTOBER AFTER THE MUNICH
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JAN 12 1939
ROOSEVELT AND CHAMBERLAIN WILL GET DINNER SERVICES. DALADIER WILL
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JH523AES

AMS--UNDATED EUROPEAN INTERPRETIVE EJT

BY JOHN EVANS JAN - 11

ASSOCIATED PRESS GENERAL FOREIGN EDITOR

THE PROBLEM OF ANOTHER POSSIBLE WORLD WAR IS ON UNCLE SAM'S DOORSTEP
WHETHER HE LIKES IT OR NOT.

TWO UNITED STATES AMBASSADORS BROUGHT HOME THE BAD NEWS AND GAVE
IT TUESDAY TO A SECRET JOINT SESSION OF THE SENATE AND HOUSE MILITARY
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NONE CAN TELL WHAT WILL HAPPEN BECAUSE THERE ARE TOO MANY
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30.24 - 1203

30.24-1203

WILL HAPPEN.

THOSE WHO TAKE THE MUNICH PACT OF SEPTEMBER 29 FOR THEIR GUIDE THINK FRANCE AND BRITAIN WILL AVOID WAR SIMPLY BY NOT GOING TO WAR AND ALLOWING MUSSOLINI TO GET PART OF WHAT HE MAY ASK.

JAN 12 1939

FEW SEE ANY DANGER OF WAR IN THE BORDER SQUABBLES OF HUNGARY AND CZECHO-SLOVAKIA ALONG THE STRIP GERMANY AND ITALY AWARDED HUNGARY NOVEMBER 2. HUNGARY HAS THREATENED TO INVADE CZECHO-SLOVAKIA IF TROUBLE CONTINUES. MAYBE SHE WILL, BUT GERMANY, WHO DOMINATES THAT PART OF THE WORLD, SHOWS NO ALARM. GERMANY IS STRONG ENOUGH TO KNOCK TOGETHER THE HEADS OF ANY OF THE LITTLE COUNTRIES AND THEY KNOW IT.

HITLER HAS GONE FAR IN HIS AMBITIONS WITHOUT WAR. MANY THINK HE WILL USE SIMILAR METHODS IN THE FUTURE, GRASPING THINGS AND POWER AT A TIME AND IN SUCH A MANNER THAT BRITAIN AND FRANCE WON'T THINK WAR WORTH WHILE. ITALY MAY DO THE SAME.

HITLER WANTS A SELF-CONTAINED GERMAN SO POWERFUL THE WORLD WILL FEAR HER. THE UKRAINE AND HUNGARY HAVE RICH WHEAT FIELDS. RUMANIA HAS OIL, YUGOSLAVIA HAS WOOD, CATTLE AND GRAIN AND THERE IS COAL AND IRON IN BULGARIA AND RUMANIA.

MUSSOLINI WANTS MORE RIGHTS IN FRANCE'S PROTECTORATE, TUNISIA, AND IN FRENCH SOMALILAND. ITALY HAS SOME CLAIM IN TUNISIA, LONG RECOGNIZED BY FRANCE HER DEMAND IN SOMALILAND IS BASED ON HER CONQUEST OF ETHIOPIA. THE ONE RAILROAD FROM THE CAPITAL, ADDIS ABABA, IS FRENCH-OWNED BUT RUNS MAINLY THROUGH ITALIAN TERRITORY TO DJIBOUTI, FRENCH PORT AND NAVAL STATION. ITALY ALSO WANTS MORE VOICE IN CONTROLLING THE SUEZ CANAL, WHICH BRITAIN AND FRANCE DOMINATE AND WHICH EGYPT IS TO GET EVENTUALLY.

WHY MAY WAR BE AVERTED?

GERMANY AND ITALY HAVE THE WHIP-HAND IN EUROPE AT PRESENT. THEY OPENLY TOOK CONTROL SEPTEMBER 29 WHEN PRIME MINISTER NEVILLE CHAMBERLAIN

OF ENGLAND AND PREMIER EDOUARD DALADIER OF FRANCE SIGNED THE MUNICH PACT TO CARVE CZECHO-SLOVAKIA. GERMANY, HUNGARY AND POLAND GOT NEARLY ONE-THIRD OF THE LITTLE COUNTRY.

JAN 12 1939

ADOLF HITLER AND BENITO MUSSOLINI HAVE ALLIED THEIR TWO DICTATORSHIP COUNTRIES IN THE ROME-BERLIN AXIS. NOW THAT GERMANY HAS A GOOD INSTALLMENT ON WHAT SHE WANTED, ITALY FEELS IT IS HER TURN. THAT IS THE REASON FOR RECENT ITALIAN CLAMOR FOR CONCESSIONS FROM FRANCE

BACK OF THAT IS A SERIES OF FRENCH AND BRITISH BLUNDERS IN FAILING TO CULTIVATE ITALIAN FRIENDSHIP EVEN IF GERMANY COULDN'T BE HANDLED. ADMITTEDLY, ITALY WAS DRIVEN INTO GERMANY'S ARMS BY FRENCH DELAY AND BARGAINING IN GIVING ITALY A REWARD PROMISED BY THE 1915 LONDON TREATY FOR JOINING THE ALLIES AGAINST GERMANY. THIS WAS MADE WORSE WHEN BRITAIN LED A BOYCOTT OF 52 NATIONS TO PREVENT ITALIAN CONQUEST OF ETHIOPIA--AND FAILED.

JAN 12 1939

AGAINST GERMANY AND ITALY ARE GREAT BRITAIN AND FRANCE. ONE YEAR AGO FRANCE HAD AN "IRON RING" OF ALLIES AROUND GERMANY. GRADUALLY THEY HAVE GROWN COOL BECAUSE FRANCE DIDN'T HELP THEM ENOUGH OR THEY WERE AFRAID SHE WOULDN'T. PROOF OF THAT DISTRUST CAME WHEN FRANCE FAILED TO KEEP HER PLEDGE TO DEFEND CZECHO-SLOVAKIA.

FRANCE DIDN'T DEFEND CZECHO-SLOVAKIA BECAUSE BRITAIN WOULDN'T HELP HER. NEITHER WAS WILLING TO FIGHT GERMANY FOR ANY REASON BUT SELF-DEFENSE. BOTH WARNED GERMANY NOT TO TOUCH CZECHO-SLOVAKIA, BUT HITLER GUESSED RIGHTLY THAT THEY WOULD SACRIFICE CZECHO-SLOVAKIA RATHER THAN START A WAR. HITLER HAS GUESSED RIGHTLY ON A NUMBER OF THINGS SINCE HE TOOK POWER JANUARY 30, 1933. HE GUESSED POLAND WOULD SWING AWAY FROM FRANCE. HE GUESSED FRANCE WOULDN'T MAKE WAR WHEN HE REOCCUPIED THE DEMILITARIZED RHINELAND, MARCH 7, 1936. HE GUESSED

BRITAIN WOULD MAKE THE NAVAL PACT OF JUNE 18, 1935, RECENTLY INVOKED TO JUSTIFY GERMAN PLANS AND TO HAVE SUBMARINE PARITY WITH BRITAIN.

IF AND WHEN HITLER OR MUSSOLINI MOVE IT IS REASONABLE TO SUPPOSE FROM THE RECORD THAT THEY WILL GUESS THEY CAN DO WHAT THEY PLAN WITHOUT STARTING A WAR. WARS ARE EXPENSIVE AND FREQUENTLY DON'T RUN ACCORDING TO SCHEDULE.

ARE BRITAIN AND FRANCE AFRAID OF GERMANY AND ITALY

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"AFRAID" IS A STRONG WORD. THE PUBLIC EXPLANATION AFTER MUNICH WAS THAT GERMANY'S CLAIM HAD SOME MERIT; CZECHO-SLOVAKIA WASN'T WORTH A WORLD WAR; AND ANYWAY, CZECHO-SLOVAKIA WOULD HAVE BEEN DEVASTATED BEFORE HER FRIENDS COULD HELP HER--IF THEY COULD GET THERE AT ALL.

GERMANY'S AND ITALY'S POWER IS IN THE AIR. GERMANY IS SAID TO HAVE THE GREATEST AIR FORCE IN THE WORLD; SOME SAY IT IS SEVERAL TIMES THE STRENGTH OF ANY OTHER. ITALY MAY HAVE AS MANY PLANES AS FRANCE BUT PROBABLY BETTER ONES. GERMAN-ITALIAN AIR STRENGTH WOULD LIE PARTLY IN COOPERATION, BUT MAINLY IN THE SUPERIORITY OF ATTACK OVER DEFENSE. AN AIR ATTACK CAN COME ANY TIME, ANYWHERE. A DEFENDING FORCE CAN'T DO MUCH TO PREVENT AN ATTACK. SINCE BRITAIN AND FRANCE PROBABLY WOULDN'T STRIKE FIRST, GERMANY AND ITALY PROBABLY WOULD HAVE THE ADVANTAGE IN AN AIR WAR.

EXPERTS MAY BE ONLY GUESSING, BUT THEY PREDICT TREMENDOUS LOSSES OF PLANES. SOME THINK AN AIR FORCE MIGHT HAVE TO BE REPLACED EVERY MONTH OR TWO. IN SUCH A CASE GERMANY AND ITALY WOULD HAVE FURTHER ADVANTAGES BECAUSE THEIR WAR PLANTS ARE GEARED TO PRODUCE PLANES RAPIDLY. IT MAY BE A YEAR OR SEVERAL YEARS BEFORE BRITAIN AND FRANCE CAN EQUAL GERMANY AND ITALY IN THE NUMBER OF PLANES AND ABILITY TO PRODUCE THEM QUICKLY.

FINALLY, NEITHER BRITAIN NOR FRANCE CAN TRUST OR DEPEND UPON THE OTHER COMPLETELY. THE FRENCH OFTEN HAVE COMPLAINED THEY COULD HAVE

HALTED HITLER IF BRITAIN HAD ANNOUNCED FORMALLY SHE WOULD FIGHT WITH FRANCE. BRITISH REMARK THAT THE FRENCH OFTEN WANT BRITAIN TO FIGHT HER BATTLES FOR HER. BOTH RECOGNIZE THEY LACK THE HITLER-MUSSOLINI TEAM WORK.

U339PES

BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JAN. 11--FRANCE'S BLUNT REFUSAL TO LET THE ANGLO-ITALIAN CONFERENCE, OR ANY OTHER FOREIGN MEDIUM, DECIDE WHETHER SHE OUGHT TO GIVE IN TO MUSSOLINI'S TERRITORIAL CLAIMS COMES AS A MILD ECHO OF THE HOARSE PROTEST THAT WENT UP FROM EASTERN EUROPE WHEN FRANCE AND THE REST OF THE BIG FOUR DISMEMBERED CZECHO-SLOVAKIA AT MUNICH.

I TOURED THAT WHOLE SECTION OF THE CONTINENT JUST AFTER THE MUNICH CONFERENCE. THE ONE THING THAT THE SMALL COUNTRIES COULDN'T OVERLOOK WAS THAT ANY GROUP OF POWERS SHOULD ARROGATE UNTO THEMSELVES THE RIGHT TO DECIDE THE FATE OF A LITTLE NATION.

THE CHICKEN NOW HAS COME BACK TO THE OLD HOME ROOST AND THE BIG FOUR CAN REGARD THE MATTER IN A SOMEWHAT MORE PERSONAL LIGHT. FRANCE DECLINES TO LET OUTSIDERS DEBATE HER SOVEREIGNTY, AND SHE HAPPENS TO BE POWERFUL ENOUGH TO TAKE CARE OF HERSELF. NOBODY IS LIKELY TO ATTEMPT ANY MUNICH TACTICS ON HER.

ONE CAN ALMOST HEAR THE EMOTIONAL EMPHASIS WITH WHICH THE FRENCH EDICT WAS DELIVERED TO BRITISH PREMIER CHAMBERLAIN AND HIS FOREIGN SECRETARY, LORD HALIFAX, AS THEY PAUSED FOR A CHAT WITH THEIR ALLIES IN PARIS ENROUTE TO ROME. THE WRITER HAD A LONG TALK WITH FRENCH FOREIGN MINISTER BONNET RECENTLY IN FRANCE AND FOUND HIM A MAN WHO FEELS HIS CONVICTIONS DEEPLY AND EXPRESSES THEM WITH CORRESPONDING FORCE.

HOWEVER, THUS FAR THERE IS A GOOD DEAL MORE WIND THAN RAIN IN THE

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SWEEPING ITALIAN CLAIMS. IT HAS COME TO BE A WELL ESTABLISHED CUSTOM OF THE DICTATORSHIPS TO PUT IN A REQUISITION FOR THE UNIVERSE NO MATTER HOW SMALL THEIR ULTIMATE OBJECTIVE. THE IDEA IS, OF COURSE, THAT IF YOU MAKE BIG CLAIMS YOU STAND A BETTER CHANCE OF GETTING SOME SORT OF CONCESSION.

THAT ISN'T TO SAY THAT PREMIER MUSSOLINI ISN'T SERIOUS IN HIS AMBITION TO EXPAND. FEW BELIEVE THOUGH THAT HE HAS ANY IDEA HE COULD OBTAIN ALL THE FRENCH DOMAINS WHICH THE ITALIAN NEWSPAPERS HAVE BEEN ANNEXING MENTALLY FOR SEVERAL WEEKS--TUNISIA, CORSICA, NICE AND THAT SORT OF THING. EXPERT OBSERVERS ALL ALONG HAVE THOUGHT THAT WHAT IL DUCE REALLY IS AFTER IS THIS:

1. PARTICIPATION IN CONTROL OF THE SUEZ CANAL, WHICH IS THE DIRECT ROUTE TO HIS NEW ETHIOPIAN EMPIRE AND EXACTS A BIG TOLL FROM ITALIAN SHIPPING. THE ITALIAN LEADER WANTS THIS BOTH FOR ECONOMIC AND FOR STRATEGIC REASON.

51 NYC OUT

2. A FREE PORT AT DJIBOUTI, FRENCH SOMALILAND. FROM THIS FINE HARBOR RUNS THE ONLY RAILWAY LEADING INTO ETHIOPIA. MUSSOLINI ALSO WANTS THE RAILWAY, WHICH IS CHIEFLY FRENCH OWNED, AND A LOT OF FOLK THINK FRANCE MAY BE WILLING TO MAKE THIS CONCESSION. AFTER ALL, THIS IS THE CHIEF ROAD TO THE ITALIAN POSSESSIONS.

3. POSSIBLY CONCESSIONS REGARDING THE ITALIAN POPULATION IN TUNISIA. IT IS EXPECTED THAT THE ITALIAN CHIEF WILL TRY TO ENLIST THE AID OF PREMIER CHAMBERLAIN IN THE ROME CONFERENCE. INDEED, IT WOULDN'T BE SURPRISING IF THAT WERE MUSSOLINI'S CHIEF BARGAINING POINT. THAT IS ONE REASON WHY MANY THINK THE ARLEY MAY NOT ACHIEVE MUCH, SINCE MR. CHAMBERLAIN MAY BE A CARVING UP OF FRENCH TERRITORY.

THE CHARACTER OF THE TWO DISTINGUISHED LIVES IS PERHAPS EVEN MORE INTERESTING THAN THE CONFERENCE ITSELF. BOTH ARE DEEPLY RELIGIOUS AND

D CONSTANTLY SEEK DIVINE GUIDANCE IN CARRYING OUT THEIR TASKS OF STATE. IT IS SAID TO BE THIS RELIGIOUS FACTOR WHICH INSPIRED THE POLICY OF APPEASEMENT TOWARDS THE DICTATORS UNTIL VERY RECENTLY WHEN FRANCE AND ENGLAND DECIDED THAT HERR HITLER WASN'T SUSCEPTIBLE TO SUCH INFLUENCES.

THE TWO PERSONALITIES, HOWEVER, ARE QUITE DIFFERENT. CHAMBERLAIN IS THE TYPICAL BUSINESSMAN, WITH A POWERFUL MENTAL EQUIPMENT WHICH SOME CRITICS THINK IS MORE SUITED TO FINANCIAL PROBLEMS THAN TO DIPLOMACY. HE POSSESSES IN MARKED DEGREE AN OUTSTANDING CHARACTERISTIC OF THE CHAMBERLAIN FAMILY--AN AUSTERITY WHICH IS ALMOST CHILLING. ACTUALLY HE IS A VERY KINDLY GENTLEMAN.

LORD HALIFAX IS A STRIKING FIGURE, MORE THAN SIX FEET TALL, WITH THE FACE AND DEEP-SET EYES OF AN IDEALIST. HE HAS DELIGHTFUL MANNERS AND IS READY AND FORCEFUL IN CONVERSATION. HIS WORDS CARRY CONVICTION, AND ONE IS INSTANTLY IMPRESSED WITH HIS APPARENT SINCERITY. DIPLOMACY MAY BE HIS LONG SUIT.

IT MAY BE SAID, HOWEVER, THAT BOTH THE PRIME MINISTER AND HIS FOREIGN SECRETARY CAN BE VERY TWO-FISTED WHEN THE OCCASION ARISES.

CZECH FRONTIER FIGHT RESUMED

Night Attack Is Attributed
to Hungarian Terrorists.

BUDAPEST PAPERS ANGRY

Warn Prague That Invasion Will
Follow Further Violations.

PRAGUE, Jan. 11 (A. P.).—A new clash on the Hungarian-Czechoslovak border was reported today by the Government of Carpatho-Ukraine. Czechoslovak's autonomous eastern-most unit.

An official announcement said that last night a group of from sixty to eighty "Hungarian terrorists," mostly in Hungarian army uniform, attacked the Czechoslovak border guard at Bervinkos, near Munkacs, scene of heavy fighting last Friday.

The Carpatho-Ukraine version of the latest clash was:

Hand grenades, machine guns and rifles were used in a three-hour battle in which two Czechs were wounded. The invaders, under cover of fire from the Hungarian town of Beranice, advanced across the border to within grenade-throwing distance of the Czech patrols. About forty grenades were thrown.

The incident was the fourth attack this week "attempted" by (Hungarian) terrorists, with support from the military.

Czech Provocation.

BUDAPEST, Jan. 11 (A. P.).—Hungarian newspaper reports of new "Czech provocations" along the troubled post-Munich border today kept the frontier in a state of nerves.

The press followed up a reported Hungarian warning that a new violation of frontiers would lead to the "invasion" of Czechoslovakia with dispatches like these:

By the Official News Agency—That thirty carloads of "Ukrainian terrorists" had arrived in the vicinity of Ungvar.

By the newspaper Az Est—That Czech "regular army" attacks on the Hungarian line at Barkaszo were repulsed, with several Czechs wounded.

By other afternoon papers—That there were six attempts during the night by Czechs to cross into Hungary at Szernye and Ungvar, and heavy Czech machine-gunning of Hungarian border patrols and other villages.

None of the reports could be confirmed independently.

Warned of Invasion.

The independent Hungarian news service, Informacio, reported that Hungary had warned Czechoslovakia that a prompt invasion of Czechoslovakia would follow another frontier violation.

It said also that Hungary demanded "material and moral" satisfaction for lives and damage in a Czechoslovak bombardment of Munkacs last Friday before resuming negotiations concerning the demarcation of borders fixed in a general way in a conference of Italian and German statesmen in Vienna November 2—a sequel to the four-Power Munich conference September 29 on the division of Czechoslovakia.

Hungarians reported that forty-seven persons, including seven Czechs were killed in the Munkacs attack and that 200 houses were damaged in an eight-hour battle.

Damage Payment Sought.

The "material and moral satisfaction" was said to include Czechoslovak payment of damages, acknowledgment of responsibility and punishment of individuals responsible.

Thousands of Hungarian troops have been assembled along the border.

A Hungarian Foreign Office representative was quoted by Informacio as saying that "should there be another armed assault on Hungarian territory from this quarter, the invasion will not only be repulsed by Hungarian troops but the Hungarian troops will pursue across the demarcation line into Czechoslovak territory." The Foreign Office did not comment on Informacio's report.

Besides the clash at Munkacs along the Carpatho-Ukraine border, disorders were reported near Ungvar, twenty-five miles west of Munkacs, last Saturday night and Sunday.

BUDAPEST, JAN. 11-(AP)—A SERIES OF REPORTED ATTACKS ON HUNGARIAN BORDER VILLAGES BY CZECHOSLOVAKS KEPT THE CAPITALS OF SOUTHEASTERN EUROPE ON EDGE TODAY.

ONE NEWSPAPER, AZ EST, SAID SEVERAL CZECHOSLOVAKS WERE WOUNDED WHEN REGULAR TROOPS ATTACKED AT BARKASZO ON THE BORDER OF CARPATHO-UKRAINE, EASTERN PROVINCE OF CZECHOSLOVAKIA.

OTHER NEWSPAPERS REPORTED SIX ATTEMPTS BY CZECHOSLOVAK MACHINEGUN UNITS TO CROSS INTO HUNGARY IN THE VICINITY OF UNGVAR.

THE OFFICIAL NEWS AGENCY STATED 30 CARLOADS OF "UKRAIN TERRORISTS" ARRIVED IN THE VICINITY OF UNGVAR, FORMER CAPITAL OF CARPATHO-UKRAINE BEFORE THE TOWN BECAME PART OF HUNGARY IN THE VIENNA AWARD OF NOV. 2.

THESE REPORTS FOLLOWED A WARNING FROM HUNGARY THAT NEW VIOLATIONS OF THE FRONTIER WOULD BRING A HUNGARIAN INVASION.

(CZECHOSLOVAKS IN PRAGUE SAID 60 TO 80 "HUNGARIAN TERRORISTS" ATTACKED WITH HAND GRENADES, MACHINEGUNS, AND RIFLES IN A THREE-HOUR BATTLE AT BERVINKOS AND TWO CZECHS WERE WOUNDED).

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WARSAW, JAN. 11-(AP)—A POLISH LEGISLATOR HOTLY ACCUSED UKRAINIAN POLITICAL LEADERS WITHIN THE COUNTRY OF BEING "AGENTS OF FOREIGN INTERESTS" TODAY DURING A COMMITTEE DEBATE OVER A UKRAINIAN DEMAND FOR MORE RIGHTS.

WLODIMER CELEWICZ, A UKRAINIAN DEPUTY FROM GALICIA, CAUSED ANGRY RETORTS WHEN HE MADE A THREE-FOLD DEMAND BEFORE THE BUDGET COMMITTEE OF THE POLISH SEJM (DIET).

(FIFTEEN UKRAINIAN DEPUTIES LAST MONTH PRESENTED A MOTION TO THE SPEAKER OF THE SEJM SEEKING LEGISLATION TO GRANT AUTONOMY TO A LARGE PART OF SOUTHEASTERN POLAND, IN WHICH MANY UKRAINIAN-SPEAKING PERSONS LIVE. THE MOTION WAS DENIED AS HAVING INSUFFICIENT SIGNATURES.

INDICATIONS HAVE BEEN APPARENT IN GERMANY OF INCREASING NAZI INTEREST IN THE UKRAINIAN DISTRICT, WHICH INCLUDES A SOVIET RUSSIAN CONSTITUENT REPUBLIC AND BORDER AREAS OF POLAND, RUMANIA AND CZECHOSLOVAKIA.)

EDWIN VECNER, A POLISH DEPUTY, SHOUTED DEFIANTLY AT CELEWICZ: "YOU ARE LOOKING FOR HELP COMING FROM ABROAD, BUT POLAND IS SUFFICIENTLY STRONG TO OPPOSE PRESSURE WITHOUT REGARD AS TO WHETHER IT COMES FROM THE WEST OR EAST."

CELEWICZ DEMANDED:

1.---EQUAL TREATMENT FOR ALL UKRAINIANS IN POLAND, MEANING THAT THE GOVERNMENT SHOULD PERMIT UKRAINIAN SCHOOLS, SOCIETIES AND NEWS-

PAPERS IN ALL PROVINCES.

2.---MORE GOVERNMENT POSITIONS FOR UKRAINIANS.

3.---SUPPRESSION OF "IRRITATING" ACTIVITIES OF THE OFFICIAL POLISH TELEGRAPH (NEWS) AGENCY AND THE POLISH RADIO TOWARD THE AUTONOMOUS STATUS OF CARPATHO-UKRAINE (EASTERMOST SECTION OF CZECHO-SLOVAKIA.)

THE UKRAINIAN PROBLEM, HE SAID, MUST BE CONSIDERED ONE OF "INTERNATIONAL INTEREST" BECAUSE 30,000,000 UKRAINIANS LIVE OUTSIDE POLAND.

(THE POLISH CENSUS OF 1931 LISTED 3,222,000 UKRAINIANS AMONG A TOTAL POPULATION OF 21,993,400.)

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Chamberlain-Duce Talks End

British Say No New Commitments Were Made in Rome Conference.

ROME, Jan. 12 (A. P.).—The Prime Minister of Great Britain and the Premier of Italy concluded their formal conversations on the future of Europe late today, and in British circles it was said that no new commitment had been made on either side.

The series of appeasement talks for which Prime Minister Neville Chamberlain came to Rome yesterday ended with a seventy-five-minute conference in Premier Mussolini's office.

[A copyrighted dispatch of the United Press from Rome stated late today that the British-Italian talks on European appeasement had ended in a stalemate. The conversations between Prime Minister Chamberlain and Premier Mussolini produced no conclusive results and ended with each maintaining his previous position, according to every indication, the dispatch stated.]

A spokesman for Mr. Chamberlain said that the conferees "continued and satisfactorily finished the job begun yesterday, that of a general European survey, and each side concluded by stating its position and understanding that of the other."

Foreign Secretary Viscount Halifax and Foreign Minister Count

Galeazzo Ciano attended the conferences between their chiefs. The Britons leave Saturday, but tomorrow will be devoted to an audience with Pope Pius and social festivities.

'No New Commitments.'

"No new commitments for an arrangement or agreement either has been asked for or entered into on either side," said Mr. Chamberlain's spokesman.

He declared that the British Prime Minister's views on various European questions remained unchanged and added that these were sufficiently well known. The Italian attitude, it was indicated, differed from the British but particulars were not disclosed.

Mr. Chamberlain was described as tired and suffering from a slight cold. The British party left to dress for dinner and a performance of Verdi's opera "Falstaff" at the Royal Opera House.

Members of Mr. Chamberlain's party admitted that a clear idea of Il Duce's view of Europe's problems and the way to solve them was all they expected to get out of the Prime Minister's appeasement journey to Rome.

Keeps Contact With Allies.

Diplomats noted with interest that Il Duce has maintained direct diplomatic contact with his allies of the anti-communist three-Power pact during the series of talks with the British leader. An account of the conversations was understood to have been given to the German Ambassador, Hans-Georg Viktor von Mackensen, when he called this morning on Count Ciano. Yesterday Il Duce himself spent half an hour with the newly arrived Ambassador of Japan, Toshio Shiratori.

It was understood that Il Duce presented to Mr. Chamberlain his terms for support of European appeasement, in effect a definition of the "justice" which he indicated last night must be done Italy concerning colonies and control of the Mediterranean if there is to be peace.

Before today's meeting Mr. Chamberlain and Lord Halifax saw a spectacle illustrating the training of a Fascist youth from the time he is 7 until he enters the army at 20. Mussolini Forum was packed to its capacity of 50,000 with civilian and Fascist formations from various parts of Italy.

Mr. Chamberlain, leaning on his rolled umbrella beside Mussolini in the red-carpeted reviewing stand, watched the disciplined formations of boys and girls. He appeared interested in a goosestep parade of schoolboys.

Premier Mussolini laid down the policy of "peace founded on justice" in a friendly toast at the banquet he gave the British Cabinet leader last night. Mr. Chamberlain in an answering toast said that his way was for a "just and peaceful solution of international difficulties by the method of negotiation."

The two talked informally for ninety minutes yesterday. They chatted again after the banquet. The formal conference today in-

cluded, as did the previous discussions, Foreign Ministers Lord Halifax and Count Galeazzo Ciano, Mussolini's son-in-law.

Count Ciano received Lord Halifax, Sir Alexander Cadogan, British permanent Under-Secretary of Foreign Affairs, and Sir Noel Charles, counsellor of the British embassy, an hour before the formal program started with a visit by Mr. Chamberlain and Viscount Halifax to leave wreaths at the pantheon of Italian kings and the Unknown Soldier's tomb. The presence of Sir Alexander was believed to indicate that the preliminary talks dealt with Italian desire for concessions in French Africa and perhaps with the Spanish war.

Mr. Chamberlain's position in the ensuing formal parley was said to be that of a listener, offering nothing until he had heard Premier Mussolini's demands, which diplomats expected would be considerable.

The foreign ministers' conversation was understood to have served as background for more important talks later with the two premiers present. Reliable sources said no important decisions have yet been reached.

German Ambassador Calls.

Diplomats said that the German Ambassador, Hans-Georg Viktor von Mackensen, visited Count Ciano after Lord Halifax's call. He was believed to have inquired and to have been told what the Britons thus far had discussed.

Japanese Ambassador Shiratori Toshio was considered also likely to have made inquiries as the envoy of Italy's other partner in the anti-communist triangle. Reports from London indicated that one of Mr. Chamberlain's chief objects was to find out what steps the anti-communist partners might take in 1939.

It is the Fascist conviction that Italy either must dominate or be a prisoner in the Mediterranean, which was Rome's own sea long years before Britain had need to run a life-line through it. The two statesmen, in their toasts, affirmed past Italian and British assertions that the sea was so vital to each

that it could be made a bond of union rather than the bone of contention.

Expects French Sacrifices.

But Italy has indicated by her recent course that she feels this happy union can be achieved only by sacrifices from a third party, France. The Italian press for weeks has agitated for control of French Tunisia, and for concessions in French Somaliland, in management of the Suez Canal and the Djibouti-Addis Ababa Railroad.

The outcome of the talks, therefore, depended largely on how much Signor Mussolini could get

Mr. Chamberlain to ask France to give and how France responded to this means of appeasement. France, in a preliminary answer, declared she would yield "not an inch" of colonial territory.

Interwoven are other problems, such as the war in Spain, British fears of German encroachment in the Mediterranean and lagging Italian-British trade.

Waiting for Duce to Speak Out.

Those accompanying Mr. Chamberlain said that, since the Prime Minister came on Premier Mussolini's invitation, he had no initial offer to make but would wait for the Duce to speak out. They announced themselves pessimistic over the changes of any concrete political achievement coming out of the trip. In other quarters this pessimism was viewed as part of the British approach, and it was pointed out that to return without anything probably would hurt Chamberlain more at home than Premier Mussolini.

Premier Mussolini declared last night that the Italian-British Easter accord placed relations on "a solid basis," resulting in "a new Mediterranean and African reality" and opening the way to collaboration for peace. Mr. Chamberlain concurred that the Mediterranean interests "while of vital importance to us both, need in no way conflict." British quarters declared

HOWEVER, THAT HE DESIRED MORE CONCRETE ASSURANCES IN VIEW OF ITALIAN PARTICIPATION IN THE SPANISH INSURGENT OFFENSIVE.

THE BRITISH MINISTER DISCLOSED THAT, IN JANUARY 1939, WITH THE FRIENDSHIP TREATY, ITALY AND BRITAIN HAD BEGUN AN EXCHANGE OF MILITARY INFORMATION.

CHAMBERLAIN SEES POPE TODAY
ROME, JAN. 12 (AP)—THE VATICAN NEWSPAPER, "L'OSERVATORE ROMANO," COMMENTING TODAY ON PRIME MINISTER CHAMBERLAIN'S VISIT TO ROME, DESCRIBED HIS APPEASEMENT POLICY AS PROPOSING "ETERNAL SOLIDARITY OF PEOPLES, AS A GUARANTY OF PEACE, COMMON ELEVATION AND GENERAL PROGRESS." CHAMBERLAIN'S VISIT TO THE VATICAN TOMORROW TO MEET POPE PIUS XI WILL DEMONSTRATE, "L'OSERVATORE" SAID, THAT SUCH A POLICY "CANNOT FAIL TO TAKE INTO ACCOUNT IN ALL ITS FAR-SEEING EFFICACY THE PARTICULAR MISSION OF THE HOLY SEE."

BECAUSE CHAMBERLAIN HAS A COLD, VATICAN ETIQUETTE HAS BEEN WAIVED SO THAT HE CAN WEAR FORMAL MORNING ATTIRE INSTEAD OF THE JANUARY WARM FULL EVENING DRESS WITH BLACK VEST WHICH ORDINARILY IS REQUIRED ON A VISIT TO THE POPE.

Talks End, Chamberlain Will See Pope Today

Rome, Jan. 12 (AP)—Premier Benito Mussolini and Prime Minister Neville Chamberlain ended tonight their face-to-face talks in which they explained, without completely reconciling them, their points of view on Europe's troubles.

Tomorrow Chamberlain will have an audience with Pope Pius XI.

Both Il Duce and the British leader refrained from entering into any deal whatever to settle any problems, including Italy's demands on France and the Spanish war.

Foreign observers characterized as a "draw" Chamberlain's latest appeasement trip, perhaps strengthening his position at home. A Chamberlain spokesman emphasized that nothing had been given away.

Duce Gives Nothing

Mussolini likewise could show his followers that he had yielded nothing. Throughout the talks Fascists were significantly in touch with diplomats representing Italy's allies, Germany

and Japan.

It was understood an account of the British-Italian conversations had been given to the German Ambassador, Hans-Georg Viktor von Mackensen. He called this morning on Count Galeazzo Ciano, Italian Foreign Minister, a participant in the talks.

Mussolini himself spent a half hour yesterday with the newly-arrived Japanese Ambassador, Toshio Shiratori. Chamberlain and his party came to Rome yesterday and will leave on Saturday.

Viewpoints Different

A spokesman for the British delegation said an announcement that Chamberlain and Mussolini each had stated his position and understood that of the other did not mean their points of view were identical.

It merely meant, he carefully explained, that they "came to an understanding of one another."

The formal conversations were concluded tonight, although Chamberlain's visit to Rome still had more than a day to go. The British Foreign Secretary, Viscount Halifax, will go to Geneva tomorrow night for a League of Nations Council session and will inform Georges Bonnet, French Foreign Minister, of the results of the conversations.

French Apprehensive

The French had been apprehensive lest Mussolini present demands on them through the British.

The British spokesman said, "our position could not have changed since we started on the expedition and that

position is sufficiently well known."

That was interpreted as meaning the British still were unwilling to grant the Spanish Insurgent, Generalissimo Francisco Franco, belligerent rights, for instance, unless "substantial" number of Italian troops were withdrawn from Spain.

Mussolini's Attitude

Italians have indicated it was Mussolini's attitude to let Franco fight toward victory on the present basis.

Accompanied by Halifax, the tired and slightly ailing Chamberlain drove to Palazzo Venezia at 5.30 P. M. (11.30 A. M. E.S.T.) for a conference lasting one and three-quarters hours.

Nursing a cold, he had time only for a few moments of relaxation beforehand in the garden at Villa Madama, the state guesthouse where he and Halifax were staying.

Chamberlain spent the day visiting the Pantheon and the Unknown Soldier's grave, at an audience and lunch with King Vittorio Emanuele and standing for seventy-five minutes on a reviewing platform in Mussolini Forum to watch Fascist gymnastics.

The program for the day ended with attendance at a gala performance of Verdi's opera, "Falstaff," at the Royal Opera House.

Denies Britain Will Pay Any Price To Avoid War

Louisville, Jan. 12 (AP)—Sir William David Ross, provost of Oriel College, Oxford University, and past president of the British Academy, in an interview today declared Neville Chamberlain's European policy is "not one of peace at any price, but almost any price."

Sir William, who is at present a visiting professor of philosophy at Columbia University, will address the annual meeting of the Association of American Colleges.

Better To Wait

"It is better for us to wait until we are prepared," Sir William continued. "A portion of the American press and some Americans are too prone to write England and France off the book. This is a sad mistake. We were somewhat caught napping, it is true, in our air preparations, but don't think for a minute that either nation is out of the picture."

"We stared war in the face for two days last September," he continued, "and knew that we would suffer greatly from air raids during the early stages of the conflict if it came, but we were confident that we would have won through."

Cites German Unrest

"We had greater financial resources and there is an undercurrent of satisfaction among the masses in Germany."

Germany."

In case of emergency, the British people feel that they can count on this country for friendship and for indirect forms of assistance, if not actually men in arms, the educator said.

President Roosevelt's two letters during the crisis and his subsequent remarks have been very much welcomed by England, he added. There has grown up a much greater bond of sympathy and understanding between the two nations, "largely as a result of Jewish persecutions in Germany," he said.

Young Fascist Riflemen Give Chamberlain Scare

Boys Aim at Him Just as Naval Guns Go Off Nearby

ROME, Jan. 12 (AP)—Prime Minister Neville Chamberlain faced today a "firing squad" of a militia squadron, fifty lads from six to eight years old, during a Fascist youth display.

The boys, marching with bayonet fixed on miniature rifles, suddenly flung themselves on the ground and took direct aim at the British statesman.

Chamberlain was vastly amused—until marines simultaneously fired a round of blanks from small naval guns in the exhibition arena. The explosions startled him so that his famed umbrella wavered and he nearly lost his balance.

Rome Broadcast Ban To Be Lifted Today

American Chains To Report Then On Chamberlain's Meeting With Duce

New York, Jan. 12 (AP)—Two American broadcasting chains announced tonight that a three-day ban on short-wave broadcasts to America concerning Prime Minister Neville Chamberlain's visit to Italy would be lifted tomorrow.

Facilities have been denied since Tuesday, the day before the Briton arrived in Italy, the American officials said. The British Broadcasting Company, which is under Government control, however, was allowed to make reports to the British Isles.

Columbia Broadcasting System has scheduled talks from Rome at 11 A. M. and 3 P. M. (E.S.T.) tomorrow and the National Broadcasting Company's blue network has a talk scheduled at 6.15 P. M.

BRILLIANTLY UNIFORMED SWISS GUARDS WILL PAY THE PRIME MINISTER MILITARY HONORS AS HE ENTERS THE MARBLE CORRIDORS OF THE VATICAN PALACE. PAPAL CHAMBERLAINS AND FOOTMEN IN SCARLET AND GOLD WILL ESCORT HIM TO THE PONTIFF'S AUDIENCE CHAMBER.

THE VATICAN ARRANGED TO SEND CARS TO VILLA MADAMA TO TAKE

CHAMBERLAIN, HALIFAX AND THEIR ENTOURAGE TO THE PAPAL CITY. MONSIGNOR WILLIAM GODFREY, RECENTLY NAMED APOSTOLIC DELEGATE TO LONDON, WILL ACCOMPANY CHAMBERLAIN AND HALIFAX AS INTERPRETER.

DURING THE PRIVATE AUDIENCE, DIPLOMATS ACCOMPANYING CHAMBERLAIN AND HALIFAX WILL WAIT IN AN ANTE-CHAMBER. UPON ITS CONCLUSION THEY WILL BE PRESENTED TO HIS HOLINESS.

AFTER THE AUDIENCE CHAMBERLAIN WILL BE RECEIVED BY THE VATICAN SECRETARY OF STATE, EUGENIO CARDINAL PACELLI, FIRST PRIVATELY AND THEN FOR PRESENTATION OF CHAMBERLAIN'S AIDES. IN THE AFTERNOON CARDINAL PACELLI WILL PAY A RETURN VISIT TO VILLA MADAMA.

COUNT CIANO, THE ITALIAN FOREIGN MINISTER, WAS RELIABLY REPORTED HAVE CALLED IN THE SPANISH INSURGENT AMBASSADOR, PEDRO GARCIA CONDE, IMMEDIATELY AFTER THE BRITISH-ITALIAN TALKS TO INFORM HIM OF THEIR FURE.

UNITED STATES AMBASSADOR WILLIAM PHILLIPS AND FRENCH AMBASSADOR ANDRE FRANCOIS-PONCET HAVE APPOINTMENTS WITH VISCOUNT HALIFAX FOR TOMORROW MORNING TO OBTAIN SPECIFIC INFORMATION ABOUT THE CONVERSATIONS.

A BRITISH SPOKESMAN SAID THE JEWISH REFUGEE PROBLEM OF EUROPE "OBVIOUSLY WAS TOUCHED UPON" BUT HE COULD NOT GIVE DETAILS. AMBASSADOR PHILLIPS RECENTLY ACQUAINTED IL DUCE WITH PRESIDENT ROOSEVELT'S IDEAS ON THE PROBLEM.

THE SPANISH INSURGENT AMBASSADOR TO THE QUITRINAL ALSO LEFT HIS VISITING CARD AT THE VILLA MADAMA, WHERE CHAMBERLAIN IS STAYING, BUT HAD NO CONVERSATION WITH ANY MEMBER OF THE BRITISH DELEGATION.

SCANT ADDITIONAL LIGHT WAS EXPECTED TO BE THROWN ON THE CONVERSATIONS BY A COMMUNIQUE WHICH CIANO INTENDED TO DRAFT FOR ISSUANCE TOMORROW.

KING VITTORIO EMANUELE ENTERTAINED THE BRITISH GUESTS AT LUNCHEON ALTHOUGH HIS DAUGHTER, PRINCESS MAFALDA, HAD BEEN REPORTED CRITICALLY ILL OF PNEUMONIA.

AN ANNOUNCEMENT TODAY THAT THE PRINCESS' CONDITION WAS SOMEWHAT IMPROVED WAS GIVEN AFTER CIRCULATION OF UNCONFIRMED RUMORS SHE WAS DEAD AND THAT THE DEATH WOULD BE KEPT SECRET TO PREVENT INTERFERENCE WITH THE CHAMBERLAIN VISIT.

QUEEN ELENA REMAINED IN HER PRIVATE APARTMENTS EXCEPT FOR OCCASIONAL VISITS.

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IONAL VISITS TO HER DAUGHTER'S BEDSIDE AT VILLA SAVOIA IN ANOTHER PART OF THE CITY.

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THE NEWSPAPER IL MESSAGGERO CHARACTERIZED CHAMBERLAIN'S VIEWS AS "SANE REALISM" BUT WARNED THAT THERE WERE PROBLEMS TO BE FACED WHICH INVOLVED THE GENERAL EUROPEAN PICTURE AND "THE ECONOMIC EQUILIBRIUM, THUS THE PEACE OF EUROPE."

AN ODD NOTE MARKED THE FESTIVITIES. DESPITE REPEATED OFFICIAL DENIALS, RUMORS PERSISTED IN ROME THAT THE PRINCESS MAFALDA, DAUGHTER OF THE KING, HAD DIED AND THAT THE NEWS WAS SUPPRESSED BECAUSE OF FESTIVITIES FOR CHAMBERLAIN.

MORNING PAPERS CARRIED NEWS OF HER ILLNESS AND EXPRESSIONS OF SYMPATHY FOR THE ROYAL FAMILY.

JH314AES

VIRGINIO GAYDA, FASCIST EDITOR WHO OFTEN REFLECTS PREMIER MUSSOLINI'S VIEWS, SAID ITALY AND GERMANY CONSIDERED IT ESSENTIAL THAT EUROPE'S PROBLEMS BE SETTLED IN THE SAME SPIRIT IN WHICH THE MUNICH CONFERENCE WAS ARRANGED LAST SEPTEMBER.

"SPEAKING OF THE POLICY OF NEGOTIATIONS, CHAMBERLAIN EVIDENTLY RECOGNIZED THAT THERE STILL ARE BIG PROBLEMS WHICH MUST BE SETTLED WITH A SPIRIT OF UNDERSTANDING AND FRANK AND WILLING CONTACTS," GAYDA WROTE IN THE NEWSPAPER IL GIORNALE D'ITALIA.

JAN 13 1939

GAYDA INTERPRETED CHAMBERLAIN'S TOAST AS CONDEMNATION OF "POLITICAL METHODS WHICH REJECT NEGOTIATIONS."

SOME QUARTERS EXPRESSED BELIEF THAT THE AUTHORITATIVE EDITOR WAS ALLUDING TO FRENCH REFUSAL TO ALLOW THE BRITISH PREMIER TO ACT AS MEDIATOR OF FASCIST TERRITORIAL DEMANDS ON FRANCE.

U1052AES

BERLIN, JAN. 12-(AP)--WITHDRAWAL OF THE LEAGUE OF NATIONS HIGH COMMISSIONER TO DANZIG--WHICH WOULD MEAN REMOVAL OF ANOTHER OBSTACLE TO ABSORPTION OF THE FREE CITY BY GERMANY--WAS PREDICTED TODAY IN DIPLOMATIC QUARTERS BY PERSONS INFLUENTIAL ON LEAGUE COMMITTEES.

THESE QUARTERS SAID THE MATTER WAS TO BE DISCUSSED DURING THE JANUARY LEAGUE SESSION WHICH STARTS MONDAY ALTHOUGH IT IS NOT ON THE AGENDA. A JEWISH PROTEST AGAINST TREATMENT OF JEWS IN THE FREE CITY IS SCHEDULED FOR DISCUSSION, HOWEVER.

NAZIS ALREADY CONTROL THE FREE CITY, CREATED BY THE VERSAILLES TREATY ORIGINALLY TO GIVE POLAND A BALTIC PORT. THE GERMAN PRESS OF LATE HAS SUGGESTED THAT THE LEAGUE VOLUNTARILY WITHDRAW ENTIRELY.

"IF GENEVA IS WISELY ADVISED IT WILL HALT ALL CONSIDERATIONS AND PLANS TO INFLUENCE CONDITIONS IN DANZIG," THE COLOGNE KOELNISCHE ZEITUNG SAID RECENTLY.

LEAGUE INFLUENCE THERE WANED ALMOST TO ZERO AFTER DECEMBER, 1936, WHEN SEAN LESTER WAS REMOVED AS HIGH COMMISSIONER. THE IRISHMAN HAD ATTEMPTED TO ENFORCE THE LEAGUE'S GUARANTEE OF FREEDOM IN OPPOSITION TO NAZIS STRUGGLING TO SMOTHER ALL OPPOSITION AGAINST CREATION OF A TOTALITARIAN STATE WHICH THEY FINALLY ACHIEVED.

IF THE LEAGUE SHOULD SURRENDER ITS LAST VESTIGE OF CONTROL OVER THE FREE CITY, ONLY THE POLISH CORRIDOR WOULD REMAIN AS A BARRIER TO REALIZATION OF THE GERMAN AMBITION FOR REUNITING EAST PRUSSIA WITH THE REST OF GERMANY.

SOME EVENTUAL BARGAIN WITH POLAND WHEREBY THE POLES WOULD GIVE UP THEIR CORRIDOR LONG HAS BEEN DISCUSSED IN POLITICAL CIRCLES.

AS LEAGUE INFLUENCE DECLINED IN DANZIG, POLAND MOVED TO SECURE FREE ACCESS TO THE BALTIC BY CREATION OF A NEW PORT, GDYNIA, AT THE END OF THE CORRIDOR WHICH NOW HANDLES THE BULK OF POLAND'S TRADE.

BERLIN, JAN 12-(AP)-REICHSMINISTER HITLER'S OWN NEWSPAPER, VOLKISCHER BEOACHTER, RIDICULED TODAY "FOREIGN SPECULATION" SUGGESTING THAT GERMANY WANTS A MORE POWERFUL NAVY FOR CONQUEST OF COLONIES IN AMERICA OR THE MEDITERRANEAN.

GERMANY'S RECENTLY ANNOUNCED INTENTION TO DOUBLE HER SUBMARINE TONNAGE AND BUILD MORE CRUISERS, THE AUTHORITATIVE NEWSPAPER DECLARED, "MUST BE SEEN AS AN EXAMPLE OF WISE LIMITATION."

IT SAID:

"GERMANY WANTS TO CONQUER NEITHER NORTH NOR SOUTH AMERICA AS COLONIES. NEITHER DOES SHE WANT TO ESTABLISH A NAVAL REGEMONY IN THE MEDITERRANEAN.

"SHE IS DETERMINED TO REALIZE HER DEMANDS FOR COLONIES, NOT, HOWEVER, BY WAY OF CONQUEST.

"AUSTRIA AND THE SUDETENLAND MAY SUFFICE AS PROOF THAT IT CAN BE DONE DIFFERENTLY."

THE BOERACHTER CITED PROTECTION OF GERMANY'S EXTENDED SHORES ALONG THE BALTIC AND IN THE NORTH SEA AND HER OVERSEAS TRADE INTERESTS AS REASONS FOR THE NAVAL BUILDING PROGRAM, "REALIZATION OF WHICH, HOWEVER, WILL BE DELAYED FOR SOME TIME FOR TECHNICAL REASONS."

--DASH--

GERMANY INFORMED BRITAIN DEC. 30 THAT SHE WOULD BUILD UP TO PARITY WITH BRITAIN IN SUBMARINES, TAKING ADVANTAGE OF A PROVISION IN THE BRITISH-GERMAN NAVAL TREATY FOR ALTERATION OF THE RATIO OF 45-TO-100 IN SUBMARINE TONNAGE IN CERTAIN CONDITIONS AND AFTER CONSULTATION.

ONE OF THE PROBLEMS CONCERNING BRITISH PRIME MINISTER CHAMBERLAIN IN HIS TALKS AT TOMR EINH ITALIAN PREMIER MUSSOLINI WAS SAID TO BE THE POSSIBILITY OF GERMAN NAVAL ENCROACHMENT IN THE MEDITERRANEAN.

U1042AES

LONDON, JAN 12-(AP)-THE BRITISH TREASURY, WHICH RECENTLY LOANED CZECHO-SLOVAKIA £10,000,000 (\$46,700,000), TODAY ASKED THAT THE REMAINDER OF THE LOAN BE SPENT ON EMIGRATING REFUGEES. +47.24

THE CZECH FINANCIAL DELEGATION IN LONDON OPPOSED THE SUGGESTION. THE LOAN WAS ORIGINALLY ASKED FROM BRITAIN FOR RECONSTRUCTION OF CZECHO-SLOVAKIA AFTER ITS PARTITION BY THE MUNICH CONFERENCE. JAN 13 1939

EXPECTED TO AID IF DUCE HASN'T THEN GAINED AIM

Führer's Stand Taken As
Sign He's Not Yet Set
To Repay Italy

Britons Post U. S., France
Fully On Results Of
Rome Talks

Asks Channel Tunnel

Paris, Jan. 13 (P)—Construction of a tunnel connecting England and France under the English Channel was proposed in the Chamber of Deputies today to strengthen military defenses of the two nations.

Deputy Marcel Boucher, Independent Republican, introduced the motion, reviving a project first suggested in 1802. The distance would be about twenty miles.

[By the Associated Press]

Rome, Jan. 13—Adolf Hitler was reliably reported today to have stepped into Prime Minister Chamberlain's appeasement visit to Rome by urging Premier Mussolini to keep the peace for one year before demanding fulfillment of Italy's "natural aspirations."

From informed German quarters came the report that such a message was delivered by the German Ambassador, Hans-Georg Viktor von Mackensen, in the second of two conferences he had yesterday with

the Italian Foreign Minister, Count Galeazzo Ciano.

U. S. And France Posted

The Führer's action was disclosed as Chamberlain turned from his talks with il Duce to pay his respects to Pope Pius, and as results of the talks were being communicated to the United States and French Ambassadors to Rome.

Significantly, Ambassadors William Phillips and André Francois-Poncet were told of the Chamberlain-Mussolini talks of the past two days by the British Foreign Secretary, Viscount Halifax, in separate interviews today.

Hitler Not Ready To Pay

Von Mackensen, it was disclosed, called on Ciano for the second time late yesterday after the formal talks of the two Premiers ended.

Hitler's reported request was interpreted as indicating that the Führer was not yet ready to pay Mussolini for his support at the Munich Conference, which partitioned Czecho-Slovakia.

Informed persons said, however, that

Hitler probably would support Italy if her claims, principally against French colonial holdings, were not met within a year, and would consider Italy justified in going to any lengths then to realize them.

Hitler Fully Posted

The Führer had a full report of the Chamberlain-Mussolini conversations last night, informants said. He was believed to have advised il Duce to give the democracies one year after learning through Von Mackensen of Ciano's report that the British had taken a firm attitude.

Some British quarters here said Chamberlain's visit was to be considered a success since it appeared, from reports of Hitler's message, that war had been averted for at least a year. Chamberlain leaves for home tomorrow.

Paper's Slur At France

However, evidence that the visit had not softened the Fascist attitude toward France was given by the newspaper *Il Tevere* in an attack of al-

most unprecedented bitterness.

"An Italian's spit is worth more than the French citizen at which it is aimed and the Third Republic (France) is not worth much more," said this extremist Fascist paper.

It was on the invitation of British Foreign Secretary Halifax that the American and French Ambassadors each spent half an hour with him to

receive a summary of the conversations that ended with no new pledges by either Italy or Britain. Diplomats refused to disclose what was in the summary. After getting it, Phillips went directly to his office to report to Washington.

American Ambassador Phillips spent nearly half an hour at the British Embassy at the invitation of Lord Halifax and then went to his own office to report to Washington.

U. S. Interested In Refugees

Phillips was particularly interested in learning what reaction the British found to a suggestion that Mussolini help advance plans for settling European Jewish refugees in African colonies, including Italian Ethiopia. President Roosevelt requested Mussolini's cooperation through Phillips on December 3.

As Phillips was leaving the British Embassy, French Ambassador Francois-Poncet arrived there. He was interested in ascertaining what Mussolini might have disclosed about his intentions in the campaign to get concessions in the Mediterranean at the expense of France. The French had refused to let Chamberlain mediate in the French-Italian colonial dispute.

Italy Still Demands "Justice"

In contrast to these diplomatic contacts between the British, French and United States representatives, Mussolini has kept in touch with the German and Japanese envoys during Chamberlain's visit.

The Fascist press made it plain today that Italy would continue to demand "justice" as the price of peace. Newspapers spoke of new "provocations" in French Tunisia, and quoted a Paris newspaper that "ten Italian

Speculation Or Next Move. Whether Chamberlain now would make any effort to get the French to concede from their refusal to give Italy an inch of territory remained to be seen. Chamberlain apparently was in agreement with France when he stopped in Paris Tuesday on his way here. He and Premier Daladier were

soldiers are not worth one Frenchman" with the comment that "the veterans ought to know how France rates the valor of an Italian soldier."

"New Friendship" Rome Fascists spoke of the new "Italian-British friendship" coming from Chamberlain's visit and hoped this might eventually lead to an agreement in

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said to have considered favorably the possibility of a conference of all the Mediterranean countries to adjust their differences.

It was of possible significance that Rome newspapers carried a dispatch from Paris saying it was felt there that Chamberlain's visit likely would affect France more than Britain.

Il Popolo di Roma said Chamberlain and Mussolini realized that Italo-British understanding was not an end in itself, but the foundation on which peace could be built.

ROME - Jan. 13
ANOTHER NOTABLE DEVELOPMENT OF THE MORNING WAS THE BRITISH MINISTERS' PRIVATE AUDIENCE WITH THE HOLY FATHER AT THE STATELY VATICAN. CHAMBERLAIN AND POPE PIUS, DEVOTED WORKERS FOR PEACE, WERE TOGETHER FOR 30 MINUTES.

LORD HALIFAX INFORMED THE AMERICAN AND FRENCH AMBASSADORS OF THE TALKS IN WHICH CHAMBERLAIN FAILED TO GET ANY PROMISES FROM MUSSOLINI AND REFRAINED FROM MAKING ANY FOR BRITAIN.

PHILLIPS SPENT NEARLY X X X SECOND GRAPH PREVIOUS.

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ROME, JAN. 13-(AP)-THE BRITISH FOREIGN SECRETARY INFORMED THE UNITED STATES AND FRENCH AMBASSADORS THIS MORNING OF THE APPEASEMENT CONVERSATIONS IN WHICH RIME MINISTER CHAMBERLAI

JAN 14 1939

CONVERSATIONS IN WHICH PRIME MINISTER CHAMBERLAIN FAILED TO GET ANY PROMISES FROM PREMIER MUSSOLINI AND REFRAINED FROM MAKING ANY FOR BRITAIN.

INDICATIONS WERE THAT THE BRITISH PREMIER'S PURSUIT OF PEACE IN ROME HAD NOT GREATLY CHANGED THE SITUATION IN EUROPE, EXCEPT PERHAPS IN THAT IT CREATED A CLEARER UNDERSTANDING BETWEEN CHAMBERLAIN AND MUSSOLINI. A SPOKESMAN FOR THE BRITISH MINISTER EMPHASIZED THAT

JAN 14 1939

NEITHER GOT OR GAVE CONCESSIONS.

THIS WAS TAKEN X X X THIRD GRAPH

JH527AES

ITALIAN (PMS BUDGET)

ROME, JAN. 13-(AP)-PRIME MINISTER CHAMBERLAIN'S PURSUIT OF PEACE IN ROME APPEARED TODAY NOT GREATLY TO HAVE CHANGED THE SITUATION IN EUROPE.

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THERE WAS CREATED PERHAPS A CLEARER UNDERSTANDING BETWEEN CHAMBERLAIN AND PREMIER MUSSOLINI, BUT A SPOKESMAN FOR THE BRITISH MINISTER EMPHASIZED THAT NEITHER OBTAINED OR GAVE CONCESSIONS.

THIS WAS TAKEN TO MEAN THAT THE MATTERS OF ITALIAN AGITATION FOR AFRICAN COLONIAL GRANTS FROM FRANCE AND OF ITALIAN PARTICIPATION IN THE SPANISH WAR WERE NO FURTHER TOWARD SETTLEMENT THAN WHEN CHAMBERLAIN ARRIVED WEDNESDAY.

THE FOREIGN MINISTRY PREPARED A COMMUNIQUE ON THE TALKS WHICH ENDED FORMALLY LAST NIGHT, LEAVING CHAMBERLAIN AND VISCOUNT HALIFAX, HIS FOREIGN SECRETARY, FREE FOR THEIR CALL UPON POPE PIUS AT THE VATICAN TODAY.

LORD HALIFAX PREPARED A SUMMARY OF THE TALKS FOR THE FRENCH AND UNITED STATES AMBASSADORS, ANDRE FRANCOIS-PONCET AND WILLIAM PHILLIPS, BEFORE LEAVING TONIGHT TO SEE THE FRENCH FOREIGN MINISTER, GEORGES BONNET, AT THE LEAGUE OF NATIONS COUNCIL MEETING IN GENEVA.

IT WAS UNDERSTOOD AN ITALIAN ACCOUNT WENT TO THE GERMAN AMBASSADOR. IT WAS KNOWN ALSO THAT FASCISTS KEPT IN TOUCH WITH THE FAR EASTERN ANTI-COMMUNIST ALLY, JAPAN.

Rome Hears Hitler Has Urged Year's Wait

Rome, Jan. 13 (P)—Prime Minister Neville Chamberlain's diplomatic "draw" with Premier Benito Mussolini was thrust into the background momentarily today by reliable reports Chancellor Adolf Hitler advised il Duce to avoid war during 1939 in seeking to achieve Italy's "natural aspirations" for colonies. 30.12.4

The visiting British Prime Minister meanwhile paid a cordial visit to the Vatican, canvassing hopes for peace and the thorny refugee problem with Pope Pius XI.

Hitler's views were said by persons close to Germans to have been conveyed to his axis partner, Mussolini, through the German Ambassador to Rome, Hans-Georg Viktor von Mackensen.

Nazi Envoy Visits Ciano Again
Von Mackensen conferred today with Count Galeazzo Ciano, Foreign Minister, for the second time since Chamberlain arrived Wednesday. It was Count Ciano who used the phrase "natural aspirations" in a Chamber of Deputies address November 30, touching off Fascist clamor against France for colonial concessions.

Many who have been watching the development of Fascist claims on France expressed belief Mussolini wanted to keep out of war. Some Italians have said their differences with France could be settled without it.

Italians Issue Communique
A communique, issued by the Italians, said:

"In conversations which took place in these days between il Duce and the British Prime Minister with the participation of the Foreign Ministers of the two countries, Count Galeazzo Ciano and Viscount Halifax, questions of the moment and relations between the two empires have been examined.

"These conversations have been marked by the greatest cordiality and have led to frank and full exchange of ideas. The intention of developing existing relations between the two countries in the spirit of friendship of the pact of April 16, 1938, were mutually reaffirmed.

To Push Special Accords
"It was also agreed to conclude at the earliest moment possible special accords contemplated by this agreement.

"During the conversations there has emerged once again the determination of Italy and Britain to pursue a policy which is directed effectively to the maintenance of peace, a policy for which the efforts of the two governments has been and continue to be exerted."

The agreements to which the com-

munique referred deal with the demarcation of the frontiers between Italian East Africa and British Kenya, Somaliland and Sudan.

The British delegation was understood to have approved the Italian announcement.

Diplomats believed Mussolini had decided he must wait, at least for the added strength he could get from an insurgent victory in Spain, before he could safely press Mediterranean claims to the point of threatening the democracies with war. Mussolini was represented as confident Generalissimo Francisco Franco would win soon.

On the other hand, il Duce perhaps was amenable to Hitler's wish for a year's peace since, according to the British version, and contrary to diplomatic expectations, Mr. Chamberlain gave Mussolini a convincing demonstration of Anglo-French solidarity in their talks.

The Italian press campaign against France continued, but for the most part newspapers withheld comment on the outcome of the Anglo-Italian conferences.

Pleased With Visit To Pope
Mr. Chamberlain smiled broadly as he left the Vatican indicating enjoyment of his visit with the Pope.

The Prime Minister and Lord Halifax went into the private audience chamber accompanied by Francis D'Arcy Osborne, British Minister to the Holy See.

The Pope spoke in English and French during most of the audience. Those who entered the room at the end of the private audience found the Pontiff seated at a writing table in the small library with Mr. Chamberlain and Lord Halifax sitting close by talking to him.

The Pope rose and came forward to greet each of the others in the Prime Minister's party.

An authoritative source said the Pope read a strong "humanitarian" document at the outset of the audience and then presented it to Mr. Chamberlain in a white silk cover.

Its contents probably will not be disclosed, these informants said, adding, however, that it was a "first-rate, humanitarian and Christian statement straight from the shoulder."

The aged Pontiff seemed well pleased with the visit, and later took a ride in the Vatican gardens.

Add. Rome - Jan. 13

THE VISITING BRITISH PRIME MINISTER MEANWHILE PAID A CORDIAL VISIT TO THE VATICAN, CANVASSING HOPES FOR PEACE AND THE THORNY REFUGEE PROBLEM WITH POPE PIUS XI.

HITLER'S VIEWS WERE SAID BY PERSONS CLOSE TO GERMANS TO HAVE BEEN CONVEYED TO HIS AXIS PARTNER, MUSSOLINI, THROUGH JAN 14 1939 GERMAN AMBASSADOR TO ROME, HANS-GEORG VIKTOR VON MACKENSEN.

VON MACKENSEN CONFERRED TODAY WITH FOREIGN MINISTER COUNT GALEAZZO CIANO FOR THE SECOND TIME SINCE CHAMBERLAIN ARRIVED WEDNESDAY. IT WAS CIANO WHO USED THE PHRASE "NATURAL ASPIRATIONS" IN A CHAMBER OF DEPUTIES ADDRESS NOV. 30, TOUCHING OFF FASCIST CALMOR AGAINST FRANCE FOR COLONIAL CONCESSIONS.

BRITISH INDICATED MUSSOLINI TOLD CHAMBERLAIN HE DESIRED PEACE WITHOUT MAKING ANY COMMITMENTS TO THAT EFFECT, HOWEVER. HE WAS UNDERSTOOD TO HAVE MADE THE REMARK AS A GENERALITY WITHOUT REFERRING DIRECTLY TO FRANCE.

IL DUCE'S INSISTENCE ON "PEACE WITH JUSTICE" WAS INTERPRETED TO MEAN HE EXPECTED FRANCE TO MEET FASCIST DEMANDS FOR WIDER SWAY IN THE MEDITERRANEAN IN SOME ULTIMATE NEGOTIATIONS.

FOREIGN SECRETARY VISCOUNT HALIFAX, WHO ACCOMPANIED CHAMBERLAIN, TOLD THE FRENCH AMBASSADOR, ANDRE FRANCOIS-PONCET, THAT THERE WAS A GENERAL BUT NO DETAILED DISCUSSION OF EUROPEAN PROBLEMS. FRANCO-ITALIAN DIFFERENCES, THE SPANISH AND JEWISH QUESTIONS WERE PROMINENTLY DISCUSSED SUBJECTS.

THIS AFTERNOON CHAMBERLAIN SAW AN EXHIBITION OF WHAT ITALY IS DOING TO BECOME SELF-SUFFICIENT IN WARTIME. WITH LORD HALIFAX HE VISITED A MINERAL AUTARCHY EXPOSITION AND SAW BIG GUNS, TANKS AND PLANES.

THIS EVENING CHAMBERLAIN AND HALIFAX WERE GUESTS OF HONOR AT A CONCERT ARRANGED BY DON PIERO COLONNA, GOVERNOR OF ROME, AND THE BRITISH GAVE A DINNER FOR MUSSOLINI, CIANO AND OTHERS AT THEIR EMBASSY. JAN 14 1939

30.24-1213

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AN ITALIAN COMMUNIQUE SAID THE CONVERSATIONS BETWEEN CHAMBERLAIN AND IL DUCE REAFFIRMED THEIR INTENTION "TO DEVELOP RELATIONS EXISTING BETWEEN THE TWO COUNTRIES IN THE SPIRIT OF FRIENDSHIP" OF THE BRITISH-ITALIAN ACCORD SIGNED LAST EASTER.

IT ADDED THAT BOTH NATIONS INTENDED TO PURSUE A POLICY DIRECTED "TOWARD THE EFFECTIVE MAINTENANCE OF PEACE."

THE BRITISH DELEGATION WAS UNDERSTOOD TO HAVE APPROVED THE ITALIAN ANNOUNCEMENT WHICH ASSERTED THAT "MAJOR QUESTIONS OF THE MOMENT AND RELATIONS BETWEEN THE TWO EMPIRES" WERE EXAMINED IN THE CONVERSATIONS WHICH WERE "MARKED BY THE GREATEST CORDIALITY" AND WHICH "LED TO FRANK AND FULL EXCHANGE OF IDEAS."

BRITISH INDICATED, ETC., PICKING UP SIXTH GRAPH PVS.

CHAMBERLAIN, POPE TALK FOR HALF-HOUR

British Premier Given Elaborate Reception Upon His Visit To Vatican

[By the Associated Press]

Vatican City, Jan. 13—Prime Minister Neville Chamberlain, Britain's traveler for peace, paid his respects to Pius XI, Pope of Peace, in a thirty-minute private audience at the Vatican today.

Sniffing with a cold, in top hat and cutaway, the Prime Minister and his Foreign Secretary, Viscount Halifax, with their party drove into the Vatican courtyard in five papal automobiles bearing papal and British flags, preceded by two police motor cycles.

Premier Sees Pope First

They were received by the Pope's secret chamberlains in gorgeous red-coated uniforms. These functionaries accompanied the party to the second floor of the papal palace. There Msgr. Mellor di Sant-Elia, grand master of ceremonies, awaited them, and he

took them to the Pope's private audience chamber.

Chamberlain first talked with the Pontiff alone, and then members of his party were admitted to the chamber.

What the Pope and Chamberlain said to each other was not disclosed, but the Prime Minister remarked to his aides that he was very pleased with the Pope's affable reception.

Chamberlain said the Pope appeared "in fairly good health."

On the way the Premier got the lustiest greeting of his visit—a series of "Hip! Hip! Hooray!" cheers from 300 English and Canadian students for the priesthood who were given special permission to shout the "Hip! Hip!" after the Swiss Guard presented arms. Drawn up in rows in one of the palace rooms, their red sashes against black soutanes gave brilliant color to the scene.

The crowd outside the Vatican swelled to 2,000 before Chamberlain arrived, and included about 1,000 members of the British colony in Rome.

Chamberlain was enabled to wear the cutaway, rather than customary full dress, because of his cold.

Hitler Ignored Pope

Diplomats credited the visit to the Pontiff with greater significance than previous courtesy calls by British

statesmen, because conciliation and peace efforts have been cardinal points of Pope Pius' declarations.

Chamberlain's conformance with tradition that heads of governments visiting Rome shall also pay respects to the Pope was in contrast to the procedure of Chancellor Adolf Hitler, who did not go to the Vatican on his visit to Rome last spring.

Cardinal Pacelli Visited

After taking leave of the Pope, the British party called upon Cardinal Pacelli, the Papal Secretary of State.

Msgr. William Godfrey, new Apostolic Delegate to London—the Pope's first representative there since the days of Henry VIII—accompanied Chamberlain and acted as his interpreter.

The party next went to the British Legation to the Holy See, where Cardinal Pacelli and several other prelates were joining them for luncheon.

Document Reported Read

VATICAN CITY, Jan. 13 (P).—An authoritative source said today that Pope Pius had read a strong "humanitarian" document at the outset of his audience to Prime Minister Neville Chamberlain and Viscount Halifax and had then presented it to Mr. Chamberlain in a white silk cover.

Its contents probably will not be disclosed, this informant said, adding, however, that it was "a first-

rate, humanitarian and Christian statement straight from the shoulder."

When the Pope, Mr. Chamberlain and Lord Halifax were joined by the statesmen's companions, the Pontiff spoke of two British saints he had canonized, Thomas More and John Fisher, and showed the visitors pictures of them in his audience room.

The Prime Minister told the Pope he was grateful to have the opportunity to meet him.

As he left the Pope's private library, Mr. Chamberlain remarked to his aides that he was very pleased with the Pope's affable reception. He said the Pontiff had appeared "in fairly good health."

Mr. Chamberlain was enabled to wear a cutaway, rather than customary full dress, because he has a cold. He displayed a wide smile for the crowds lining St. Peter's Square as he drove to the British Legation. People had stood patiently in the hot sun for more than an hour, kept in line by Italian carabinieri who were lent to the Vatican by special request of the Holy See.

The Prime Minister waved his hat and the crowd clapped but did not cheer.

APC - Vatican City - Jan. 13

THE TIME WAS 11:53 A.M. BY THE CLOCK BELOW RAPHAEL'S GALLERY IN THE COURT OF SAN DAMASO AS THE PARTY STEPPED FROM THEIR CARS, WHICH BORE PAPAL AND BRITISH FLAGS, TO BE RECEIVED RESPECTFULLY BY THE POPE'S SECRET CHAMBERLAINS IN GEORGEOUS RED-COATED UNIFORMS.

THE CROWD OUTSIDE THE VATICAN SWELLED TO 2,000 BEFORE THE PREMIER ARRIVED. IT STRETCHED ALL THE WAY DOWN THE RIGHT SIDE OF SAINT PETER'S SQUARE, LIGHTED BY DAZZLING SUN, AND ALONG ONE WING OF THE FAMOUS BERNINI COLONADE.

WHAT THE POPE AND CHAMBERLAIN SAID TO ONE ANOTHER PRIVATELY WAS NOT CONFIDED IN OTHERS IMMEDIATELY.

A84

TO SPARE CHAMBERLAIN A LONG WALK UP SEVERAL FLIGHTS OF STAIRS HIS CAR WAS DRIVEN AROUND THE BASILICA TO THE VERY DOOR OF THE PAPAL PALACE. PAPAL GENDARMES FORMED A GUARD OF HONOR IN THE COURTYARD, AND SALUTED BY PRESENTING ARMS.

THE PAPAL FLAG AND THE ITALIAN FLAG FLUTTERED NEARBY, ON A CONSTRUCTOR'S CRANE NEXT TO A HALF-FINISHED BUILDING NEAR THE CATHEDRAL.

BEFORE RECEIVING THE BRITISH STATESMEN, THE POPE SENT HIS GRAND MASTER OF CEREMONIES TO THE ROYAL PALACE TO EXPRESS HOPE FOR THE SPEEDY RECOVERY OF PRINCESS MAFALDA, KING VITTORIO EMANUELE'S SECOND DAUGHTER, WHOSE SERIOUS ILLNESS THREATENED TO CURTAIL OFFICIAL FESTIVITIES FOR CHAMBERLAIN.

HF947AES

1022 Paris - Jan 13
THIS INFORMATION, THE ROME REPORTS SAID, WAS CONVEYED TO CHAMBERLAIN BEFORE THE REPORTED DELIVERY OF A MESSAGE TO MUSSOLINI FROM REICHSFUEHRER HITLER URGING HIM TO PURSUE HIS AIMS PEACEFULLY FOR ONE YEAR. 30.24

(MORE)

HF1039AES

PARIS—FIRST ADD FIRST LEAD FRENCH X X X ONE YEAR.
FRENCH OFFICIALS, HOWEVER, SAID THEY KNEW NOTHING OF SUCH A MESSAGE, REPORTED FROM INFORMED GERMAN QUARTERS IN ROME.

MUSSOLINI, THE REPORTS SAID, INSISTED DURING HIS FORMAL "APPEASEMENT TALK" WITH CHAMBERLAIN YESTERDAY THAT ITALY'S NATURAL ASPIRATIONS IN THE MEDITERRANEAN MUST BE SATISFIED.

(UNTIL NOW FASCIST TERRITORIAL CLANOR HAD BEEN UNOFFICIAL, CARRIED ON LARGELY THROUGH THE PRESS ALTHOUGH IT ORIGINATED LAST NOV. 30 WITH CRIES OF "TUNISIA! CORSICA! NICE! DJIBOUTI!" IN THE ITALIAN CHAMBER OF DEPUTIES.)

PREMIER DALADIER CALLED A CONFERENCE OF HIS MINISTERS. FIVE OF THEM, INCLUDING GEORGES MANDEL, MINISTER OF COLONIES, REMAINED IN HIS OFFICE TWO HOURS.

DALADIER EARLIER HAD PUSHED THE CHAMBER OF DEPUTIES INTO UNLIMITED

FOREIGN POLICY DEBATE ON THE SAME PROBLEMS WHICH HAD CONFRONTED CHAMBERLAIN AND MUSSOLINI IN ROME.

"YOU ASKED ETC., SECOND GRAPH PVS. JAN 14 1939

HF1126AES

Bourse Declines

PARIS, Jan. 13 (P).—Prime Minister Neville Chamberlain was described by a French government spokesman tonight as having changed "practically nothing" in the delicate line-up of post-Munich Europe through his Rome talks with Premier Mussolini.

Such a pessimistic view apparently was shared by spectators on the Paris Bourse, where domestic and foreign securities all declined today.

Dispatches to the foreign Ministry here said Il Duce had informed both Chamberlain and the British foreign secretary, Viscount Halifax, that he would press actively Italian territorial demands on France. The reports said Chamberlain had rejected an Italian suggestion for a four-power conference among Britain, France, Germany and Italy to settle Mediterranean questions.

They also said that the British Prime Minister had left Mussolini in no doubt that Britain firmly supported French resistance to any territorial demands.

Will Form Memel Directory

KAUNAS (Kovno), Lithuania, Jan. 13 (P).—Willi Bertuleit, Deputy Nazi Fuehrer of Memel, today accepted the Lithuanian government's invitation to form a new five-man directory to govern the semi-autonomous former German territory.

Prague to Transfer 2,500 Jews

PRAGUE, Jan. 13 (P).—The Czecho-Slovak government agreed with a representative of the Jewish Agency for Palestine today to arrange the emigration of 2,500 Jews, most of whom fled into Czecho-Slovakia from the Sudetenland when that area passed to Germany. The government has set aside a fund of about \$2,500,000 for the transfer.

Halifax Informs Envoys

ROME, Jan. 13 (P).—Viscount Halifax, the British Foreign Secretary, told the French Ambassador to Rome, Andre Francois-Poncet, today that there had been general

but no detailed discussion of European problems in the Chamberlain-Mussolini conversations. 30.24

Lord Halifax also had a separate interview with United States Ambassador William Phillips to communicate the results of the talks.

It was on Lord Halifax's invitation that the United States and French Ambassadors spent half an hour each with him to receive a summary of the conversations.

Diplomats refused to disclose what was in the summary or what the Ambassadors thought of it. Mr. Phillips went directly to his own office to report to Washington.

Premier Mussolini took time off today to go skiing at Terminillo, while Count Ciano spent the afternoon golfing.

Bullitt Calls Outlook

Abroad "Pretty Sour"

Ambassador To France Given Pennsylvania's Meritorious Service Award 30.24

THE 38-YEAR-OLD ECONOMIST WAS GIVEN EIGHT DAYS IN WHICH TO NAME HIS DIRECTORY. 30.24

WITH NAZI LEADER ERNST NEUMANN, BERTULEIT HAS DIRECTED NAZI PARTY AFFAIRS IN THE 1,099-SQUARE-MILE AREA. HE BECAME PARTICULARLY ACTIVE AFTER BEING PARDONED IN FEBRUARY, 1938, FROM A 10-YEAR PENAL SENTENCE IMPOSED IN 1936 BY A MILITARY TRIBUNAL AT KAUNAS FOR SUBVERSIVE ACTIVITIES.

DA344PES

WASHINGTON, 13-(AP)-THE UNITED PALESTINE AL ANNOUNCED TONIGHT THAT THE CZECHOSLOVAK GOVERNMENT D AUTHORIZED TRANSFER ABROAD OF A \$2,500,000 FUND RAISED BY JEWS OF THAT COUNTRY FOR SETTLEMENT OF REFUGEES IN PALESTINE. 30.24

THE AUTHORIZATION WAS OBTAINED THROUGH THE EFFORTS OF JAN MASARYK, FORMER CZECH MINISTER TO LONDON.

RABBI ABBA HILLEL SILVER, NATIONAL CHAIRMAN OF THE UNITED

service award from Gov. George H. Earle.
Bullitt is a lifetime friend of Governor Earle's. His citation for the Pennsylvania award said he "so well represented President Roosevelt's views on peace that he played a major part in averting a war that unquestionably would have destroyed European civilization."

30.24-1215

30.24-1215

PALESTINE APPEAL, SAID THAT THE FUND WOULD ENABLE 5,000 JEWS TO LEAVE CZECHOSLOVAKIA FOR PALESTINE.

A WEEKEND MEETING OF THE NATIONAL CONFERENCE FOR PALESTINE IS EXPECTED TO BRING MORE THAN 1,500 DELEGATES HERE TO CONSIDER PHASES OF THE REFUGEE PROBLEM IN GERMANY AND OTHER COUNTRIES.

HY944PES

BERLIN, JAN 13-(AP)-THE GERMAN GOVERNMENT ANNOUNCED TODAY THAT HUNGARY HAD ADHERED TO THE ANTI-COMINTERN PACT, THE PRINCIPAL WRITTEN AGREEMENT JOINING THE AUTHORITARIAN GOVERNMENTS OF GERMANY, ITALY AND JAPAN.

AN OFFICIAL ANNOUNCEMENT SAID THAT COUNT STEPHEN CSAKY, HUNGARIAN (MORE)

SUI226PES

BERLIN FIRST ADD ANTI-COMINTERN PACT X X X CSAKY, HUNGARIAN VUR

FOREIGN MINISTER, HAD ACCEPTED THE INVITATION OF THE GERMAN, ITALIAN AND JAPANESE MINISTERS TO BUDAPEST TO JOIN THEIR COMMON FRONT AGAINST THE COMMUNIST INTERNATIONAL, WHICH HAS HEADQUARTERS IN MOSCOW.

THE MINISTERS CALLED ON COUNT CSAKY THIS AFTERNOON TO INFORM HIM THEIR GOVERNMENTS HAD TAKEN NOTICE OF HUNGARY'S READINESS TO PARTICIPATE IN THE PACT AND HAD EMPOWERED THEM TO SUBMIT INVITATIONS.

CSAKY REPLIED THAT HIS GOVERNMENT, WITH THE APPROVAL OF REGENT NICHOLAS HORTHY, HAD DECIDED TO JOIN AND THEREWITH ACCEPTED.

(COUNT CSAKY, WHO IS SCHEDULED TO LEAVE BUDAPEST MONDAY FOR A TWO-DAY STATE VISIT TO BERLIN, ANNOUNCED HUNGARY'S INTENTIONS LAST NIGHT

AT A DINNER OF THE GOVERNMENT PARTY OF NATIONAL UNITY IN THE HUNGARIAN CAPITAL.)

JAN 14 1939

HF1233PES

BERLIN - SECOND ADD HUNGARY ANTI COMINTERN.

X X X THE HUNGARIAN CAPITAL.

(HUNGARY HAS BEEN AGGRESSIVELY ANTI-COMMUNIST SINCE 1919 WHEN HORTHY AND THE LATE PREMIER JULIUS GOMBOS SMASHED THE RED REGIME OF BELA KUN. RECENTLY SHE HAS BEEN CULTIVATING THE FRIENDSHIP OF GERMANY, ITALY AND JAPAN. HUNGARY THIS WEEK RECOGNIZED MANCHOUKUO, JAPANESE PROTECTORATE CONQUERED FROM CHINA.

(THE ACCORD AGAINST COMMUNISM IS OPEN TO OTHER NATIONS. IT WAS MADE ORIGINALLY NOV. 25, 1936, BETWEEN GERMANY AND JAPAN. ITALY JOINED NOV. 6, 1937.

(THE PACT CONTAINS NO MILITARY CLAUSES. IT BINDS ITS SIGNATORIES MERELY TO KEEP EACH OTHER INFORMED ON INTERNATIONAL COMMUNIST ACTIVITIES AND TO ACT JOINTLY ON "NECESSARY DEFENSE MEASURES.")

HUNGARY'S PARTICIPATION WAS REGARDED BY OFFICIAL GERMAN SPOKESMEN AS "NATURAL AND LOGICAL."

JAN 14 1939

THEY POINTED OUT THAT HUNGARY REVOLVED ON THE BERLIN-ROME AXIS -- THE SYSTEM WHICH, THEY SAID, "PACIFIES, CONSOLIDATES AND STRENGTHENS CENTRAL AND SOUTHEASTERN EUROPE."

PART OF THE MISSION OF THIS SYSTEM, THEY DECLARED, WAS TO ERECT BULWARKS AGAINST "BOLESHEVISM THREATENING FROM THE EAST."

DA250PES

AMS--NIGHT LEAD FRENCH--BUDGET

PARIS, JAN 13-(AP)--PRIME MINISTER CHAMBERLAIN WAS DESCRIBED BY A FRENCH GOVERNMENT SPOKESMAN TONIGHT AS HAVING CHANGED "PRACTICALLY NOTHING" IN THE DELICATE LINE-UP OF POST-MUNICH EUROPE THROUGH HIS ROME TALKS WITH PREMIER MUSSOLINI.

30.24
SUCH A PESSIMISTIC VIEW APPARENTLY WAS SHARED BY SPECULATORS ON THE PARIS BOURSE WHERE DOMESTIC AND FOREIGN SECURITIES ALL DECLINED.

DJIBOUTI REPORTS OF ITALIAN TROOPS CONCENTRATIONS IN ETHIOPIA NEAR THE FRENCH SOMALILAND FRONTIER AROUSED SOME CONCERN THOUGH A FOREIGN OFFICE SPOKESMAN SAID NOTHING HAD BEEN HEARD AT THE QUAI D'ORSAY OF SUCH MOVEMENTS.

(FRENCH ADVICES IN EAST AFRICA SAID STRONG ITALIAN TROOP CONCENTRATIONS WERE GATHERING IN ETHIOPIA NEAR THE JUNCTURE OF THE FRONTIERS OF ITALIAN ETHIOPIA AND FRENCH AND BRITISH SOMALILAND.

(SIMILAR REPORTS WHICH WERE DENIED LAST MONTH WERE CONNECTED DIRECTLY WITH ITALIAN DEMANDS FOR COLONIAL CONCESSIONS FROM FRANCE. SUBSEQUENTLY FRANCE SENT 1,500 COLONIAL SOLDIERS AS REINFORCEMENTS TO DJIBOUTI.)

JAN 14 1939
CHAMBER OF DEPUTIES DEBATE ON FOREIGN AFFAIRS BEGAN TODAY WITH GOVERNMENT WHIPS WARNING THAT THE FINAL VOTE APPROVING PREMIER DALADIER'S LEADERSHIP MUST BE STRONG.

RIGHTIST DEPUTY JEAN MONTIGNY DECLARED "GERMANY'S STRONG ECONOMIC EXPANSION CANNOT BE STOPPED, BUT WE MUST LOOK TO OUR ALLIANCES. WE WANT BRITAIN ON OUR SIDE, SPAIN NEUTRAL, BELGIUM FRIENDLY AND A FRIENDLY UNITED STATES."

HF320PE5

--AMS--BRITISH-BUDGET. POLO ROME

LONDON, JAN 13-(AP)--BRITONS OF ALL PARTIES APPLAUDED TODAY PRIME MINISTER CHAMBERLAIN'S APPARENT FIRMNESS IN BACKING FRANCE AGAINST ITALY IN ROME AND VIEWED WITH SUSPICION REICHSFUEHRER HITLER'S REPORTED COUNSEL OF A YEAR'S PEACE IN THE MEDITERRANEAN.

30.24
EVEN THE LIBERAL PRESS DECIDED THE PRIME MINISTER HAD "CARRIED HIS UMBRELLA WITH HONOR."

THE GENERAL FEELING HERE AS THE ROME VISIT OF CHAMBERLAIN AND FOREIGN SECRETARY VISCOUNT HALIFAX NEARED THE END WAS THAT CHAMBERLAIN HAD STRENGTHENED HIS POSITION AT HOME BY TURNING A DEAF EAR TO ITALIAN CLAIMS FOR FRENCH TERRITORY.

HITLER'S REPORTED ADVICE TO PREMIER MUSSOLINI TO KEEP FORCE IN THE BACKGROUND FOR A YEAR WAS LOOKED UPON IN DIPLOMATIC AND POLITICAL QUARTERS AS A FURTHER ATTEMPT TO LULL THE DEMOCRACIES INTO SLACKENING THEIR REARMAMENT PACE.

CHAMBERLAIN WILL ARRIVE IN LONDON AT 5:20 P.M. (12:30 P.M. E.S.T.) SUNDAY AND HE HAS CALLED THE FIRST BRITISH CABINET MEETING SINCE THE PARLIAMENTARY CHRISTMAS RECESS FOR WEDNESDAY TO HEAR HIS REPORT ON THE ROME CONVERSATIONS.

LORD HALIFAX MEANWHILE WILL GO TO GENEVA WHERE HE WILL ENLIGHTEN FRENCH FOREIGN MINISTER GEORGES BONNET ON SUNDAY ON THE RESULTS OF THE TALKS.

JAN 14 1939
OFFICIAL BRITISH QUARTERS SAID THE GREATEST VALUE OF THE ROME MEETINGS LAY IN THE FACT THAT THEY GAVE CHAMBERLAIN AN OPPORTUNITY TO KNOW IL DUCE BETTER.

THEY INDICATED THAT HENCEFORTH ALL IMPORTANT COMMUNICATIONS FROM GREAT BRITAIN TO ITALY WOULD GO FROM THE PRIME MINISTER TO MUSSOLINI.

INFORMED CIRCLES IN LONDON GENERALLY AGREED ON THESE AS THE FACIST

MORE

30.24-1217

30.24-1217

IN THE ROME TALKS:

1. ITALY OFFICIALLY EXPRESSED HER DISSATISFACTION WITH THE STATUS QUO IN THE MEDITERRANEAN.

2. MUSSOLINI POINTED OUT THAT MOST OF ITALY'S INTERESTS LIE IN THE MEDITERRANEAN, YET SHE HAS NOTHING TO SAY ABOUT ANY OF ITS THREE NARROW OUTLETS (THE STRAIT OF GIBRALTAR; THE SUEZ CANAL; AND THE EXIT TO THE BLACK SEA.)

3. CHAMBERLAIN REFUSED TO DISCUSS ITALIAN CLAIMS FOR FRENCH TERRITORY, TO GRANT BELLIGERENT RIGHTS TO ITALIAN-BACKED INSURGENT SPAIN, OR TO SUPPORT ITALY'S CLAIM FOR A SHARE IN THE CONTROL OF THE SUEZ CANAL.

4. ITALY REFUSED TO WITHDRAW HER TROOPS FIGHTING WITH THE INSURGENTS IN SPAIN'S CIVIL WAR.

LONDON CONSEQUENTLY DESCRIBED CHAMBERLAIN'S TALKS WITH MUSSOLINI AS ENDING IN "A SCORELESS TIE."

HF310PES

LONDON FIRST ADD BRITISH (BJT) XXX SCORELESS TIE."

OFFICIAL QUARTERS WERE PLEASED WITH THE CORDIALITY OF THE DISCUSSIONS BETWEEN IL DUCE AND THE PRIME MINISTER, BUT OTHER RELIABLE SOURCES SAID FOREIGN MINISTER COUNT GALEAZZO CIANO WAS LESS DIPLOMATIC IN HIS TREATMENT OF LORD HALIFAX.

THESE CIRCLES SAID CIANO WAS STRONGER IN HIS LANGUAGE THAN ORDINARY DIPLOMATIC CONVERSATION WOULD REQUIRE.

LORD HALIFAX, AS A RESULT, WAS REPORTED TO HAVE WARNED THE

ITALIAN TWICE THAT HE WOULD END THE TALKS UNLESS HE MODERATED HIS TONE, ONLY MINOR IMPORTANCE WAS ATTACHED TO THE INCIDENT WHICH APPARENTLY ENDED WHEN CIANO TALKED MORE QUIETLY.

BE840PES

AS

(AMS)

BY JOHN EVANS

ASSOCIATED PRESS GENERAL FOREIGN EDITOR

30.29 JAN 14 1939

A VIRTUAL DEADLOCK DEVELOPED YESTERDAY BETWEEN THE WORLD'S DEMOCRACIES AND TOTALITARIAN STATES, WITH A "DON'T FIGHT FOR A YEAR" ADMONITION FROM HITLER TO MUSSOLINI THE ONLY CHEERING EVENT IN INTERNATIONAL AFFAIRS.

GREAT BRITAIN, FRANCE AND THE UNITED STATES WERE IN BOTH GENERAL AND INDIVIDUAL OPPOSITION TO GERMANY, ITALY AND JAPAN ON A VARIETY OF SUBJECTS.

DESPITE THE SLIGHT OPTIMISM RAISED BY HITLER'S WORDS, THERE WAS A CONSCIOUSNESS AMONG STATESMEN THAT THEY WERE ONLY PUTTING OFF THE EVIL DAY.

THE GRIM SILENCE OF SOME MIGHT EXPRESS A THOUGHT THAT IF THEY DIDN'T DO BETTER QUICKLY IN THEIR SEARCH FOR PEACE THE FUTURE WOULD REPEAT THE PAST IN ITS TALE OF WORLD UNREST, TURBULENCE AND WAR.

THREE WARS WENT ON IN SPAIN, CHINA AND PALESTINE WHILE STATESMEN WRANGLLED.

THREE STATECRAFT TANGLES BETWEEN DEMOCRACIES AND DICTATORIAL COUNTRIES SHOWED THEMSELVES AS MUDDLED MESSSES.

THE NAZI-FASCIST ANTI-COMINTERN PACT SPONSORED BY ADOLF HITLER

WON HUNGARY AS A FOURTH RECRUIT.

THE BIG BRIGHT SPOT OF FRIDAY, THE THIRTEENTH, WAS THE REPORTED ADVICE OF HITLER TO MUSSOLINI TO KEEP HIS SHIRT ON FOR A YEAR IN HIS DEMAND FOR "SATISFACTION" FROM FRANCE. THIS PROBABLE POSTPONEMENT OF TROUBLE CAME WHILE PRIME MINISTER NEVILLE CHAMBERLAIN OF GREAT BRITAIN AND HIS FOREIGN SECRETARY, LORD HALIFAX, WERE AT THE VATICAN, PAYING THEIR RESPECTS TO PIUS XI, "POPE OF PEACE", WHO ALSO IS AT ODDS WITH THE DICTATORSHIP COUNTRIES.

THE CONFLICTS:

GREAT BRITAIN AND ITALY LAID THEIR CARDS

THE CONFLICTS:

GREAT BRITAIN AND ITALY LAID THEIR CARDS

ON THE TABLE IN MUSSOLINI'S

THE CONFLICTS:

GREAT BRITAIN AND ITALY LAID THEIR CARDS ON THE TABLE IN MUSSOLINI'S IMMENSE OFFICE, THE WORLD'S BIGGEST UNTIL HITLER YESTERDAY INAUGURATED HIS LARGER ONE. NEITHER CHAMBERLAIN NOR MUSSOLINI ANNOUNCED PUBLICLY HIS PROGRAM BUT THE BRITISH ADMITTED NEITHER SIDE CONCEDED ANYTHING. EACH MERELY TOLD THE OTHER WHERE HE STOOD. HITLER'S ADVICE TO MUSSOLINI TO WAIT A YEAR BEFORE "ACTING" AND PROMISING HELP THEN, GAVE BREATHING TIME BUT DIDN'T SOLVE ANYTHING.

AG.

FRANCE AND ITALY MEANWHILE CARRIED ON THEIR FEUD, ITALIAN NEWSPAPER HANDED BACK INSULTS THE FRENCH PAPERS DIRECTED AT ITALY. PREMIER EDOUARD DALADIER OF FRANCE TOOK THE LID OFF PARLIAMENT AND TOLD THE CHAMBER OF DEPUTIES TO AIR THEIR FEELINGS ON ITALY'S DEMANDS IN

DEBATE THAT STARTED FRIDAY AFTERNOON. THAT SHOULD SHOW WHAT THE FRENCH THINK ABOUT ITALY'S CONTENTION THAT FRANCE FAILED TO FULFILL HER PROMISE TO GIVE ITALY PART OF THE AFRICAN SPOILS OF THE 1914-1918 WAR AND INSTEAD JOINED BRITAIN IN KEEPING MOST FOR THEMSELVES. THAT IS AN OLD QUARREL. FRANCE ACKNOWLEDGED THE DEBT BUT THOUGHT SHE SETTLED IT WITH CESSION OF ABOUT 44,000 SQUARE MILES OF DESERT ADJOINING ITALIAN LIBYA, 30 SQUARE MILES OF FRENCH SOMALILAND AND A SMALL SHARE IN THE RAILROAD, FOR WHICH ITALY HAD TO PAY.

THE UNITED STATES AND GERMANY FRIDAY PROBABLY ENDED A LONG ARGUMENT OVER THE RIGHTS OF UNITED STATES JEWS IN GERMANY. THE UNITED STATES CONTENDED THESE UNITED STATES CITIZENS SHOULD HAVE EQUAL RIGHTS WITH GERMAN CITIZENS. GERMANY REJECTED THAT THESIS, RETORTING THAT UNITED STATES JEWS WOULD BE TREATED ON AN EQUALITY WITH GERMAN JEWS, BUT AGREED TO CONSIDER SPECIALLY THE CASE OF ANY UNITED STATES JEW.

IN THE MIDST OF ALL THESE ARGUMENTS GERMANY ANNOUNCED HUNGARY'S ADHERENCE TO THE ANTI-COMINTERN PACT IN WHICH GERMANY, ITALY AND JAPAN AGREE TO COOPERATE AGAINST COMMUNISM.

JAPAN, ON THE OTHER SIDE OF THE WORLD, HAD BEFORE HER THE UNITED STATES NOTE BLUNTLY REJECTING JAPAN'S CLAIM TO ASIATIC CONTROL AND REFUSING TO RECOGNIZE HER AS "THE AGENT OF DESTINY." THE NOTE WAS SENT EARLY DECEMBER 31 SO AMBASSADOR JOSEPH G. GREN IN TOKYO COULD LEAVE IT AT THE FOREIGN OFFICE AS A NICE NEW YEAR'S GREETING WHEN ALL THE JAPANESE MOGULS WERE OUT OF TOKYO ON A HOLIDAY.

HF423FES

VISIT TO ROME
CALLED SUCCESS
BY CHAMBERLAIN

Big Aim Was Understanding Of Duce's Views, He Says, And He Got It
JAN 15 1939
Promise Of Aid On Jewish

Problem Revealed As
Sole Concrete Gain
JAN 15 1939

[By the Associated Press]

Rome, Jan. 14—In his talks with Prime Minister Chamberlain Premier Mussolini agreed to cooperate in the world effort to solve the Jewish refugee problem, British circles disclosed today.

This was seen as the sole concrete achievement of the visit, although the Italian press asserted that the talks had opened the way to new European and Mediterranean equilibrium.

"Aim Achieved," Briton Says

In a statement to the Italian press before he started home, Chamberlain declared he was "more than ever convinced of the good faith and good will of the Italian Government," and that his visit would prove fruitful "for European collaboration."

Chamberlain said he had not come to Rome for specific accords, "but rather to obtain through personal contacts more intimate understanding of the points of view of the two countries," and declared:

"That objective has been fully realized."

Roosevelt Views Discussed

Chamberlain was represented as convinced that il Duce was willing to help find new homes for Jews. He did not get any idea, however, of just what Mussolini would do.

President Roosevelt's views on the problem were believed to have been touched upon, but it was understood that the solution would be explored later through normal diplomatic channels.

Duce Reticent On Spain

Spain was the only other subject discussed at length, British sources said. But all that Chamberlain was able to obtain from Mussolini was an expression of "willingness" to abide by the non-intervention committee's agreement for withdrawal of foreign troops from the civil war.

There was no evidence, however, that Mussolini had promised to stop aiding Generalissimo Francisco Franco before the end of the present insurgent offensive against Barcelona, which both il Duce and Foreign Minister Ciano assured the Britons would soon end in victory.

French Dispute Unsettled

Other problems which may produce the Rome-Berlin-Tokyo triangle's 1939 war scare were hardly touched upon, British circles indicated.

Nothing concrete was decided regarding the French-Italian differences over Tunisia, Djibouti, the Djibouti-Addis Ababa Railway and the Suez Canal, it was said.

Duce's Aims Undefined

Chamberlain was represented as appreciative of Italy's increasingly important role in the Mediterranean, but there was nothing to show that he had—as the newspaper *Il Messaggero* said—recognized Italy's "imperial parity"

with Great Britain.

British circles said Italy's "natural aspirations" were not defined.

Mussolini's Stand

Disarmament and economic questions were covered in the talks, but no agreement was reached, the British said.

Mussolini, they said, impressed Chamberlain by refraining from saying or asking for anything "embarrassing." He reiterated his intention to adhere to the terms of the Anglo-Italian friendship agreement "and made it clear that he aims at pursuing a policy of peace in international affairs, a policy required for the development of Italy's resources and those of her possessions."

Triumph For Duce Claimed

Chamberlain made no commitments to Italy, but the Italian press hailed his conversations with Mussolini as marking renewed Italo-British friendship and as a foundation stone for general European conciliation embracing recognition of Italy's needs as an empire.

The visit thus was presented as another triumph for Mussolini.

British circles did not share that interpretation.

French Also Skeptical

French circles likewise did not anticipate a new Mediterranean equilibrium, which Italy has made plain must be achieved chiefly by French concessions to her.

The report that Chancellor Hitler had asked Mussolini to wait one year before resorting to final measures against France would mean, it was borne out, that il Duce would be handicapped in pressing his demands in 1939.

Greatest Cordiality Reported

An Italian communique said: "These conversations have been marked by the greatest cordiality and have led to frank and full exchange of ideas. The intention of developing existing relations between the two countries in the spirit of friendship of the pact of April 16, 1938, were mutually reaffirmed."

"It was also agreed to conclude at the earliest moment possible special accords contemplated by this agreement."

"During the conversations there has emerged once again the determination of Italy and Britain to pursue a policy which is directed effectively to the maintenance of peace, a policy for which the efforts of the two governments have been and continue to be exerted."

The agreements to which the statement referred deal with the demarcation of the frontiers between Italian East Africa and British Kenya, Somaliland and Sudan.

**TALKS FEATURE
DUCE'S PLEDGE**

TO HELP JEWS

Chamberlain Satisfied Mussolini Will Aid in Problem; Leaves Rome

ROME, Jan. 14 (AP).—Prime Minister Chamberlain left Rome today satisfied Premier Mussolini would co-operate in settling the problem of what to do with Germany's and Italy's Jewish refugees.

Italians expressed belief the way had been opened—by British dealing with Italy as an imperial equal—to a new deal in the Mediterranean, where she has claims on France.

Both Mussolini and Chamberlain expressed "determination" to follow policies aimed at maintenance of peace.

RESULT OF TALK.

Those three points emerged as a result of the three days Chamberlain devoted to the Rome leg of the appeasement travels he started during the September crisis over Germany's quarrel with Czechoslovakia.

Promised Italian co-operation on the Jewish problem stood as the most concrete achievement of the British-Italian talks, but Chamberlain gained no idea as to what lines Mussolini's co-operation in the matter would follow.

Before his departure Chamberlain said he was "more than ever convinced of the good faith and good will of the Italian Government" and that the visit would further "European Collaboration."

NO SPECIFIC ACCORDS.

He said he had not come for specific accords but "to obtain through personal contacts more intimate understanding of the points of view of the two countries."

"That objective has been fully realized," he added.

The British impression that Mussolini would refrain from war with France was strengthened by the Newspaper *Il Telegrafo* of Leghorn, frequently mouthpiece of Foreign Minister Count Galeazzo Ciano.

The newspaper said Italy's denunciation of her 1935 colonial agreement with France should not mean Italy definitely wanted to make war. A way could be found to settle the claims, *il Telegrafo* said, if France "calmed down" and assumed neither a bullying nor provocative attitude.

Outline Italy's Policies

Virginio Gayda, authoritative Fascist editor, gave an outline of Italy's future policy which may have been that which Mussolini laid before Chamberlain. He wrote:

First, Italy intends to withdraw

her remaining troops from Spain when foreign militiamen are withdrawn from the "Red (Government) side."

Second, a new deal is necessary between Italy and France. France's "threats and obstinate intransigence" can only aggravate the risks and dangers for France rather than dispose of the disputes.

Third, Italy is in "perfect agreement" with Germany to bring Eastern Europe and the Balkans under the influence of the Rome-Berlin axis.

Fourth, Italy's policy toward Japan's course in China is "no mystery." Italy and Japan, along with Germany, are allied in the anti-Comintern pact.

Mussolini at Station

A special train carrying the Prime Minister and his aides left Rome at 12:05 P. M.

Il Duce, Foreign Minister Count Galeazzo Ciano and other brilliantly-uniformed high officials were at the station.

Mussolini and Chamberlain smiled genially as they reviewed an honor guard and took a solemn salute from a company of Fascist boys armed with muskets.

A band played "God Save the King" and the Fascist anthem. Chamberlain waved his hand from the door of a car as the train drew slowly from the station.

Rome (ADD)
x x SUDAN

POPE PIUS' INTEREST IN THE JEWISH PROBLEM ALSO WAS

STRESSED BY THE BRITISH, BUT THEY DID NOT GO INTO THE DETAILS OF THE PRIME MINISTER'S AUDIENCE WITH THE HOLY FATHER.

THE ROME NEWSPAPER *IL MESSAGGERO* SAID THAT CHAMBERLAIN HAD ABANDONED THE OLD ATTITUDE OF THE POWERS TOWARD ITALY AND HAD RECOGNIZED THE IMPERIAL INTERESTS WHICH SHE HAD ALWAYS ASSERTED.

OF THE ITALIAN-BRITISH ACCORDS, REAFFIRMED IN THE

STATESMEN'S TALKS, *IL MESSAGGERO* SAID:

"THE TRADITIONAL ITALIAN-ENGLISH FRIENDSHIP WAS REMINDED ON IMPERIAL BASES. ENGLAND, WITH THE PRACTICAL SENSE DUE TO HER LONG POLITICAL EXPERIENCE, TOOK COGNIZANCE OF THE ROAD TRAVELED BY FASCIST ITALY AND ACCEPTED WITHOUT RESERVE THAT IMPERIAL PARITY WHICH IS THE PREMISE OF USEFUL AND EFFICIENT COLLABORATION. X X X
IS THE
"AND THIS ROAD THAT CAN LEAD TO THE MAINTENANCE OF PEACE AND TO A NEW EUROPEAN AND MEDITERRANEAN BALANCE."

London Aims To Ease Rome, Paris Tension

May Call on France To Negotiate Lesser Complaints of Italy

London, Jan. 14 (AP)—Prime Minister Chamberlain is expected to try to ease the strain between Italy and France after he reaches home tomorrow evening from his no-give-or-take talks with Premier Mussolini.

This appeared to be the next step necessary to keep Europe's peace.

Chamberlain apparently refused to become an official mediator on his three-day visit to Rome and made it plain that Britain fully backed France against Italian territorial aspirations.

But Chamberlain now has first hand information on the Italian point of view.

Halifax to Approach France

His foreign Secretary, Viscount Halifax, was expected to make an approach to France for negotiation on the more moderate Italian complaints when he meets French Foreign Minister Georges Bonnet at Geneva this week-end. They will attend sessions of the League of Nations Council opening Monday.

An indication that Italy was open to negotiation came from the Fascist newspaper Il Telegrafo, which is close to Italian Foreign Minister Count Galeazzo Ciano.

Before negotiating, however, Italy hoped for an early insurgent victory in Spain—something which became a greater possibility today with Generalissimo Franco's armies moving still closer to Tarragona and the government capital, Barcelona.

An insurgent victory would give Italy a stronger argument for extracting territorial or other concessions from France.

Submarines Sent to Syria

France's bargaining position was most recently affected by rioting against French rule in Syria, her eastern Mediterranean mandate. Three French submarines were ordered to Syria today while the French Mediterranean and Atlantic fleets prepared for extensive war games off Africa's northwestern coast.

The apparently firm stand Chamberlain took at Rome was regarded here as evidence that he was encouraged by the hardened United States policy toward dictators and had set his face against further concessions to threats of force.

In some British quarters report

circulated that Chamberlain had invited Mussolini to visit London in the Spring and that a four-power conference on outstanding problems between the democracies and dictatorships might be sought.

Despite the absence of concrete results from the Rome visit, Chamberlain came away impressed by Mussolini's assurances of his desire for peace and satisfied that Il Duce would co-operate in the settlement of the European Jewish refugee problem.

The Rublee Inter-Governmental Refugee Committee mission to Germany in search of a formula for emigration of Jews said today it would remain in Berlin until next week, in hope of helping at least some of the 700,000 Jewish population to find new homes.

LONDON
ADD

TO BE WIDENED NEXT WEEK WITH INCLUSION OF HUNGARY---BRITISH

PUBLIC OPINION TOWARD GERMANY MADE DIFFICULT ANY FURTHER

APPEASEMENT APPROACHES TO REICHSFUEHRER HITLER AT THIS TIME.

TRAVEL EXCEPT ON TOTALITARIAN SOIL AND FRENCH FEARS OVER THE

PRICE FRANCE MIGHT HAVE TO PAY IN A FOUR-POWER CONFERENCE

MADE BOTH PROJECTS DOUBTFUL.

IL TELEGAFO SAID "THE FASCIST GOVERNMENT

WOULD NOT BE AVERSE TO OPENING NEW NEGOTIATIONS BUT

THAT IS NOT COMPLETELY POSSIBLE WITH OR WITHOUT MEDIATORS

IN THE ATMOSPHERE CREATED BY THE FRENCH GOVERNMENT AND

PRESS."

FRANCE WANTS TO KEEP SYRIA AS A MILITARY

AND NAVAL Foothold DESPITE 1936 TREATIES PROMISING INDEPEND-

ENCE TO SYRIA AND ADJACENT LEBANON THIS YEAR. FRANCE

HAS NEVER RATIFIED THE TREATIES.

THIS VIEW WAS STRENGTHENED ALSO BY THE

BRITISH REQUEST TO JAPAN FOR A FULL STATEMENT OF

JAPANESE INTENTIONS TOWARD BRITISH COMMERCE IN CHINA.

THE AMBASSADOR TO TOKYO PRESENTED THE REQUEST TODAY.

WHATEVER CHAMBERLAIN LEARNED ABOUT THE

1939 PLANS OF THE ROME-BERLIN-TOKYO ANTI-COMINTERN TRIANGLE--

CHAMBERLAIN WAS BELIEVED TO FEEL HE HAD

IMRESSED MUSSOLINI BY HIS FIRMLINESS IN STATING THE CASE FOR

THE DEMOCRACIES AND MUSSOLINI'S APPARENT MODERATION

OUTLINING

ITALY'S MEDITERRANEAN AMBITIONS SEEMED TO HAVE

BEEN INFLUENCED BY THE UNCERTAINTY OF IMMEDIATE SUPPORT

FROM HITLER.

YESTERDAY

THE REICHSFUEHRER WAS RELIABLY REPORTED,

WITHOUT OFFICIAL CONFIRMATION, TO HAVE URGED MUSSOLINI

A PEACEFUL MEDITERRANEAN CAMPAIGN THIS YEAR, INDICATING THAT

GERMANY WAS TOO OCCUPIED WITH HER OWN PLANS IN SOUTHEASTERN

EUROPE TO AID ITALY IN ANY CRISIS.

THE ADDITION OF HUNGARY TO THE ANTI-COMINTERN

FACT WILL GIVE GERMANY A STRONGER LEVER TO BRING

INTO THE GERMANIC ORBIT OF TRADE AND INFLUENCE. RUMANIA

NIGHT PROVE TO BE A MEANS TOWARD

UNION OF UKRAINIAN PEOPLES UNDER GERMAN LEADERSHIP.

auspices.

CHAMBERLAIN HAS MORE THAN TWO WEEKS

BEFORE HE WILL FACE PARLIAMENT TO TELL WHAT THE ROME TRIP
ACCOMPLISHED.

MORE CRITICAL FOR HIM THAN A POSSIBLE

ATTACK ON ^{HIS} THE ROME MISSION, HOWEVER, WAS THE GROWING CAMPAIGN
AGAINST THE SLOW PACE OF BRITISH REARMAMENT AND DEFENSE
PREPARATIONS.

TO WARD OFF FURTHER ASSAULTS ON THIS

SCORE CHAMBERLAIN WAS BELIEVED IN SOME QUARTERS TO BE

PLANNING A CABINET REORGANIZATION BEFORE PARLIAMENT CONVENES

JAN. 31.

WHILE THIS WAS EXPECTED TO INVOLVE A

SHIFT OF SIR THOMAS INSKIP FROM THE MINISTRY FOR COORDINATION

OF DEFENSE, THERE WERE INDICATIONS THE PRIME MINISTER

INTENDED TO KEEP ~~MINISTER~~ LESLIE MORE-BELISHA IN THE

WAR MINISTRY DESPITE POLITICAL ATTACKS.

APL STARKS 1605 MISO CAF 1227

Chamberlain, Halifax Get Medals From Pope

VATICAN CITY, Jan. 14 (AP).—
The Vatican announced today
that Pope Pius XI gave gold
medals to Prime Minister Neville
Chamberlain and Foreign Secre-
tary Viscount Halifax when he
received them in audience yes-

terday.

This was interpreted as evi-
dence that the Pontiff fully ap-
proved the peace mission of the
British statesmen on their visit
to Rome.

VATICAN (ADDYRAME)

IT WAS UNDERSTOOD THE MEDALS BORE THE LIKENESSES OF

THE BRITISH SAINTS THOMAS MORE AND JOHN FISHER.

JAN 15 1939

APL ROME 01335 GD 816

PARIS MADE UNEASY BY 3 DEVELOPMENTS

Rome Talks' Negative Result,
African Troop Reports,
Spain Situation Cited

[By the Associated Press]

Paris, Jan. 14—Fears that a new Eu-
ropean crisis was developing caused
France today to strengthen her diplo-
matic and military lines.

Diplomatic sources were pessimistic
from these viewpoints:

1. The Anglo-Italian conversations
left the situation—for France—vir-
tually where it was before Prime
Minister Chamberlain went to see
Premier Mussolini.

2. Reports of new Italian troop
concentrations in East Africa, al-
though unconfirmed officially, brought
new anxiety for France's strategic
seaport of Djibouti, on the Gulf of
Aden.

3. The Spanish Insurgents' whirl-
wind campaign in Catalonia increased
the danger of an extension of Italian
influence on the Pyrenees border
and endangered empire communica-
tions to North Africa.

ADP OFFICIALS LET IT BE KNOWN THAT THE FOREIGN OFFICE AND THE MINISTRY
OF NATIONAL DEFENSE WERE IN CONTINUOUS COMMUNICATION ON "QUESTIONS
OF MUTUAL INTEREST" AND PREMIER DALADIER SUMMONED VARIOUS OF HIS
MINISTERS FOR FREQUENT CONFERENCES.

FOREIGN MINISTER GEORGES BONNET ISSUED STATEMENTS SAYING HE "KNEW
NOTHING" CONCERNING GERMANY'S REPORTED INTERVENTION IN THE ROME CON-
VERSATIONS OR REPORTS OF ITALIAN REINFORCEMENTS NEAR DJIBOUTI.

LEON BLUM, SOCIALIST EX-PREMIER, SUMMED THE SITUATION UP IN HIS
NEWSPAPER LE POPULAIRE AS FOLLOWS:

"NEITHER IN ONE DIRECTION NOR IN ANOTHER HAS THE TRIP TO ROME CHANGED THE DIFFICULTIES OF EUROPE. THEY REMAIN TODAY WHAT THEY WERE BEFORE. THE SITUATION IS SERIOUS. NOT ONLY FRANCE BUT GREAT BRITAIN MUST CONSIDER IT WITH FORESIGHT, CALMNESS AND FIRMNESS."

DEPUTY FELIX GRAT, DISCUSSING THE DJIBOUTI SITUATION DURING THE CHAMBER OF DEPUTY'S FOREIGN AFFAIRS DEBATE, CHARGED THAT "ITALY IS TRYING TO CREATE WAR FEARS IN FRANCE BEFORE PROPOSING CONCESSIONS TO US. WHEN THE TIME IS GRAVE THEN ABOVE ALL WE MUST SHOW SOME SPIRIT. WE WANT PEACE INTENSELY, BUT WE WILL NEVER AGREE TO SERVITUDE."

EDGAR BONNET, VICE PRESIDENT OF THE SUEZ CANAL COMPANY, WARNED THAT THE WATERWAY "CANNOT BE MADE A PAWN IN DIPLOMATIC COMPROMISE."

"THE COMPANY WILL NOT LET ITSELF BE INFLUENCED BY ULTIMATUMS OR BY THREATS, AND STILL LESS BY ABUSE," HE SAID, REFERRING TO ITALIAN PROPOSALS FOR A SHARE IN THE MANAGEMENT.

R333AES

BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JAN. 11--FRANCE'S BLUNT REFUSAL TO LET THE ANGLO-ITALIAN CONFERENCE, OR ANY OTHER FOREIGN MEDIUM, DECIDE WHETHER SHE OUGHT TO GIVE IN TO MUSSOLINI'S TERRITORIAL CLAIMS COMES AS A MILD ECHO OF THE HOARSE PROTEST THAT WENT UP FROM EASTERN EUROPE WHEN FRANCE AND THE REST OF THE BIG FOUR DISMEMBERED CZECHO-SLOVAKIA AT MUNICH.

I TOURED THAT WHOLE SECTION OF THE CONTINENT JUST AFTER THE MUNICH CONFERENCE. THE ONE THING THAT THE SMALL COUNTRIES COULDN'T OVERLOOK WAS THAT ANY GROUP OF POWERS SHOULD ARROGATE UNTO THEMSELVES THE RIGHT TO DECIDE THE FATE OF A LITTLE NATION.

THE CHICKEN NOW HAS COME BACK TO THE OLD HOME ROOST AND THE BIG FOUR CAN REGARD THE MATTER IN A SOMEWHAT MORE PERSONAL LIGHT. FRANCE

DECLINES TO LET OUTSIDERS DEBATE HER SOVEREIGNTY, AND SHE HAPPENS TO BE POWERFUL ENOUGH TO TAKE CARE OF HERSELF. NOBODY IS LIKELY TO ATTEMPT ANY MUNICH TACTICS ON HER.

ONE CAN ALMOST HEAR THE EMOTIONAL EMPHASIS WITH WHICH THE FRENCH EDICT WAS DELIVERED TO BRITISH PREMIER CHAMBERLAIN AND HIS FOREIGN SECRETARY, LORD HALIFAX, AS THEY PAUSED FOR A CHAT WITH THEIR ALLIES IN PARIS ENROUTE TO ROME. THE WRITER HAD A LONG TALK WITH FRENCH FOREIGN MINISTER BONNET RECENTLY IN FRANCE AND FOUND HIM A MAN WHO FEELS HIS CONVICTIONS DEEPLY AND EXPRESSES THEM WITH CORRESPONDING FORCE.

HOWEVER, THUS FAR THERE IS A GOOD DEAL MORE WIND THAN RAIN IN THE SWEEPING ITALIAN CLAIMS. IT HAS COME TO BE A WELL ESTABLISHED CUSTOM OF THE DICTATORSHIPS TO PUT IN A REQUISITION FOR THE UNIVERSE NO MATTER HOW SMALL THEIR ULTIMATE OBJECTIVE. THE IDEA IS, OF COURSE, THAT IF YOU MAKE BIG CLAIMS YOU STAND A BETTER CHANCE OF GETTING SOME SORT OF CONCESSION.

THAT ISN'T TO SAY THAT PREMIER MUSSOLINI ISN'T SERIOUS IN HIS AMBITION TO EXPAND. FEW BELIEVE THOUGH THAT HE HAS ANY IDEA HE COULD OBTAIN ALL THE FRENCH DOMAINS WHICH THE ITALIAN NEWSPAPERS HAVE BEEN ANNEXING MENTALLY FOR SEVERAL WEEKS--TUNISIA, CORSICA, NICE AND THAT SORT OF THING. EXPERT OBSERVERS ALL ALONG HAVE THOUGHT THAT WHAT IL DUCE REALLY IS AFTER IS THIS:

1. PARTICIPATION IN CONTROL OF THE SUEZ CANAL, WHICH IS THE DIRECT ROUTE TO HIS NEW ETHIOPIAN EMPIRE AND EXACTS A BIG TOLL FROM ITALIAN SHIPPING. THE ITALIAN LEADER WANTS THIS BOTH FOR ECONOMIC AND FOR STRATEGIC REASON.

2. A FREE PORT AT DJIBOUTI, FRENCH SOMALILAND. THIS FINE HARBOR RUNS THE ONLY RAILWAY LEADING INTO ETHIOPIA. MUSSOLINI ALSO WANTS THE RAILWAY, WHICH IS CHIEFLY FRENCH OWNED, AND A LOT OF FOLK THINK FRANCE MAY BE WILLING TO MAKE THIS CONCESSION. AFTER ALL, THIS

IS THE CHIEF ROAD TO THE ITALIAN POSSESSIONS.

3. POSSIBLY CONCESSIONS REGARDING THE ITALIAN POPULATION IN TUNISIA

IT IS EXPECTED THAT THE ITALIAN CHIEF WILL TRY TO ENLIST THE AID OF PREMIER CHAMBERLAIN IN THE ROME CONFERENCE. INDEED, IT WOULDN'T BE SURPRISING IF THAT WERE MUSSOLINI'S CHIEF BARGAINING POINT. THAT IS ONE REASON WHY MANY THINK THE PARLEY MAY NOT ACHIEVE MUCH, SINCE MR. CHAMBERLAIN ISN'T IN A POSITION TO ENTERTAIN SUGGESTIONS REGARDING A CARVING UP OF FRENCH TERRITORY.

THE CHARACTER OF THE TWO DISTINGUISHED BRITISH REPRESENTATIVES IS PERHAPS EVEN MORE INTERESTING THAN THE CONFERENCE ITSELF. BOTH ARE DEEPLY RELIGIOUS AND CONSTANTLY SEEK DIVINE GUIDANCE IN CARRYING OUT THEIR TASKS OF STATE. IT IS SAID TO BE THIS RELIGIOUS FACTOR WHICH INSPIRED THE POLICY OF APPEASEMENT TOWARDS THE DICTATORS UNTIL VERY RECENTLY WHEN FRANCE AND ENGLAND DECIDED THAT HERR HITLER WASN'T SUSCEPTIBLE TO SUCH INFLUENCES.

THE TWO PERSONALITIES, HOWEVER, ARE QUITE DIFFERENT. CHAMBERLAIN IS THE TYPICAL BUSINESSMAN, WITH A POWERFUL MENTAL EQUIPMENT WHICH SOME CRITICS THINK IS MORE SUITED TO FINANCIAL PROBLEMS THAN TO DIPLOMACY. HE POSSESSES IN MARKED DEGREE AN OUTSTANDING CHARACTERISTIC OF THE CHAMBERLAIN FAMILY--AN AUSTERITY WHICH IS ALMOST CHILLING. ACTUALLY HE IS A VERY KINDLY GENTLEMAN.

LORD HALIFAX IS A STRIKING FIGURE, MORE THAN SIX FEET TALL, WITH THE FACE AND DEEP-SET EYES OF AN IDEALIST. HE HAS DELIGHTFUL MANNERS AND IS READY AND FORCEFUL IN CONVERSATION. HIS WORDS CARRY CONVICTION, AND ONE IS INSTANTLY IMPRESSED WITH HIS APPARENT SINCERITY. DIPLOMACY MAY BE HIS LONG SUIT.

IT MAY BE SAID, HOWEVER, THAT BOTH THE PRIME MINISTER AND HIS FOREIGN SECRETARY CAN BE VERY TWO-FISTED WHEN THE OCCASION ARISES.

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30.24-1223

30.24-1223

BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JAN. 13--WITH MUSSOLINI AND BRITISH PREMIER CHAMBERLAIN HAVING BEEN UP TO THEIR NECKS IN DISCUSSION OF MATTERS AFFECTING CONTROL OF THE MEDITERRANEAN, WHICH ITALY WOULD LIKE TO WREST FROM ENGLAND, IT'S PASSING STRANGE NOBODY MENTIONS A NEW AND GRAVE THREAT TO BRITAIN'S SUPREMACY ON THAT SEA--HERR ADOLF HITLER.

MAYBE DER FUEHRER IS RATHER LOST SIGHT OF IN THE SHADOW OF THE ALPS WHICH LIE BETWEEN HIM AND THE MEDITERRANEAN. BUT THERE ARE MORE WAYS OF REACHING THE SEA THAN BY SLIDING INTO IT DOWN A MOUNTAIN.

THE NAZI CHIEFTAIN IS MAKING HIS APPROACH AS DID ALEXANDER THE GREAT--VIA THE BALKANS. IF LEANDER CAN SWIM THE HELLESPONT, SO CAN THE NAZI LEADER. AND AS A MATTER OF FACT, SINCE HIS CZECHO-SLOVAK TRIUMPH HITLER ALREADY HAS ESTABLISHED IN TURKEY THE ADVANCE POSTS OF THE POLITICO-ECONOMIC EMPIRE THROUGH WHICH HE DOMINATES THE BALKANS.

THE GERMAN DRANG NACH OSTEN (DRIVE TO THE EAST) IS A REAL MENACE TO BRITISH MEDITERRANEAN CONTROL. ASTUTE OBSERVERS IN TURKEY KNOW THIS, AS I FOUND WHEN VISITING THAT COUNTRY A FEW WEEKS AGO.

THE BRITISH GOVERNMENT MOST ASSUREDLY IS AWARE OF IT. BUT THE GENERAL PUBLICS OF WESTERN EUROPE HAVE REGARDED HITLER AS TOO FAR REMOVED TO CONSTITUTE A THREAT TO THIS BLUE OCEAN, AND HAVE BEEN TAKING OUT THEIR WORRIES ON MUSSOLINI.

THE GREAT NEW NAZI TRADE ROUTE--WHICH IS TO FILL GERMANY'S GRANARIES WITH GOLDEN WHEAT AND MAKE HER SELF-SUFFICIENT IN OTHER WAYS--PASSES ALONG THE WINDING DANUBE INTO THE BLACK SEA. THE PRESENT TERMINUS IS TURKEY.

NOW THE ONLY EXIT FROM THE BLACK SEA INTO THE MEDITERRANEAN IS

THROUGH THE SEA OF MARMORA, AND THE NARROW STRAITS OF THE BOSPORUS AND DARDANELLES AT EITHER END. OF SUCH VAST STRATEGIC IMPORTANCE IS THE DARDANELLES THAT MANY BRAVE SHIPS--ANCIENT GALLEYS AND MODERN WAR VESSELS--HAVE PAID THE PRICE FOR ATTEMPTING TO FORCE A WAY THROUGH. THE DISASTROUS ALLIED NAVAL EFFORTS TO PASS THIS HISTORIC STRAIT WILL NOT SOON BE FORGOTTEN.

THE EXPERTS SAY THAT FUEHRER HITLER IS BOUND TO STRIVE FOR CONTROL OF THESE WATERS. SHOULD HE SUCCEED HE WILL BE SITTING ON TOP OF THE SUEZ CANAL, ONLY DIRECT ROUTE TO BRITAIN'S FAR EASTERN POSSESSIONS.

MOREOVER, NEUTRAL OBSERVERS EXPRESS THE CERTAIN CONVICTION THAT HITLER PLANS TO TRY TO CONTROL ITALY--LOCK, STOCK AND BARREL. MUSSOLINI STILL HAS TO BE HEARD FROM ON THAT SCORE BUT SHOULD HITLER SUCCEED, IT WOULD BE A CASE OF "WHAT'S YOURS IS MINE."

THAT IS, ANY HEADWAY WHICH MUSSOLINI MAKES IN STRIVING FOR DOMINATION OF THE MEDITERRANEAN WOULD BENEFIT HITLER ULTIMATELY. THE GERMAN POWER WOULD BE JUST SO MUCH GREATER.

HITLER ALSO IS GENERALLY EXPECTED TO TRY TO ESTABLISH ANOTHER ENTRANCE TO THE MEDITERRANEAN BEFORE LONG. THAT WOULD BE THROUGH THE PORT OF TRIESTE, ON THE ADRIATIC. THIS WAS LOST BY AUSTRIA TO ITALY IN THE WORLD WAR. IT IS BELIEVED THAT HITLER WILL MAKE A "REQUEST" FOR TRIESTE BEFORE LONG.

ENGLAND RECENTLY HAS BEEN MAKING MOVES TO BLOCK THE NAZI HOLD ON TURKEY. THE BRITISH FOR ONE THING HAVE MADE A CONSIDERABLE LOAN TO THE TURKS, WHO ARE EQUALLY ANXIOUS TO SAFEGUARD THEMSELVES AGAINST THE GERMAN DRIVE. IT IS GENERALLY ADMITTED, HOWEVER, THAT THE NAZIS HAVE BOTH FEET ON TURKISH SOIL.

ONE OF THE CHIEF TURKISH BULWARKS AGAINST EXTERNAL PRESSURE WAS REMOVED WHEN DICTATOR ATATURK DIED RECENTLY. THIS MIGHTY FIGURE WAS CASTING HIS LOT WITH ENGLAND. ONE MIGHT EXPECT HIS POLICY TO

CONTINUE, BUT THAT REMAINS TO BE SEEN. THE GERMAN PRESSURE IS VERY HEAVY.

JH716 JAN 14 1939

Italy Rejects Peace Talks Until Spanish War Ends;

**Duce Said to Have Told
Chamberlain a Victory
by Franco Comes First**

**French Settlement
Put in Background**

**Withdrawal of Soldiers
Now in Spain to Await
Belligerent Rights Step**

By The Associated Press

ROME, Jan. 15.—Spain replaced Africa as the immediate diplomatic battleground of the French-Italian controversy tonight.

An official bulletin in "Informazione Diplomatica," information service of the Italian Foreign Office, in an account of the conversations last week here between Premier Benito Mussolini and British Prime Minister Neville Chamberlain, said Il Duce told the Briton that any conciliation of the French-Italian quarrel must await the end of the Spanish Civil War.

Presumably, Mussolini meant the war must be ended in a victory for the insurgent Generalissimo Francisco Franco. Fascist quarters, meanwhile, expressed concern lest France be contemplating intervention in Spain to bolster wavering government forces. Virginio Gayda, authoritative editor, said: "Italy and Europe have reason to follow the French measures along the Spanish frontier with great attention and the fullest reserve."

No Arbitration, No Mediation

The official bulletin disclosed that Mussolini had sent Chamberlain home from his appeasement mission with the knowledge that until the Spanish war was ended there could be no question of "arbitration, mediation, four-power conferences or even three-power con-

ferences" in the dispute between Italy and France.

Heretofore, the dispute has been largely concerned with Italy's propaganda campaign for recognition of her "aspirations" concerning France's African protectorate of Tunisia, her department of Corsica, the Suez Canal and Djibouti, terminus of the railroad from Ethiopia to the Gulf of Aden.

But tonight the official information service said Mussolini had told Chamberlain the Spanish war "profoundly" divided the two countries, and that there was no use reviewing their relations until the war was over.

Italy's position with regard to Spain was represented as being as follows:

No additional withdrawal from Spain of the Italian troops fighting for the insurgents unless belligerent rights are granted General Franco and foreign combatants eliminated from Spanish government ranks;

"Liberty of action" to send even greater Italian aid to Spanish insurgents if French aid to the Spanish government should increase on a large scale.

Postponement of all discussion of outstanding French-Italian questions until the Spanish civil war is finished.

Diplomatic sources said the Italian attitude seemed to have stalled Chamberlain's appeasement crusade, for the moment at least. The British Prime Minister, who talked with Il Duce on Wednesday and Thursday, was committed to the non-intervention committee's program of granting belligerent rights to Franco only when "substantial" withdrawals of foreign combatants had been made from both sides.

Italy withdrew 10,000 soldiers from Spain after the Munich conference on Sept. 29, but Italians still are fighting on the insurgent side in Spain. A League of Nations commission has certified the effective

departure of a considerable part of the foreign auxiliaries from the government side, but the Fascists have shown scant confidence in the commission's findings.

Text of Statement

The text of the "Informazione" announcement, the first comprehensive statement on the Chamberlain-Mussolini talks last week here, was as follows:

"In responsible Roman circles, the following credible information concerning the results of the conversations which took place between Chamberlain and Il Duce at the Palazzo Venezia in the presence of (British Foreign Minister) Viscount Halifax and (Italian Foreign Minister) Count Ciano has been received.

"The obvious cordiality which marked the conversations so far as Italo-British relations were concerned having been noted, there is nothing to be discussed, inasmuch as these relations have been completely and specifically defined in the 1938 agreement of April 16 (the friendship pact) which became ef-

fective on Nov. 16, an agreement which, both on the Italian and the British side, already has been faithfully applied.

"In a necessary review of the situation, several questions of a general character naturally were approached, and while the British Prime Minister emphasized the close relations which exist between London and Paris, on the Italian side it was declared in the most formal manner that the Rome-Berlin axis remains the basis of Italian policy.

"As for Spain, Il Duce repeated that the last Italian legionnaires will be brought home when the same measures shall be taken by the reds (the Spanish government) and when belligerent rights shall be granted to Franco, as up until this time have been plainly and absurdly denied him.

"Il Duce also added that if in the near future there should be inter-

vention on a large scale on the part of governments friendly to Negrin, Italy would reassume full liberty of action, it being considered that thenceforward the policy of non-in-

tervention was terminated and had failed.

"As for Italo-French relations, Il Duce declared the Spanish question has divided and still divides profoundly the two countries, and that only when the Spanish war was finished will it be possible to review the situation.

"In the mean time, there is absolutely no question of talking of arbitration, mediation, four-power conferences or even three-power conferences.

"It was observed in Roman circles that, with this statement, all stupid fantasies of the international press, according to which Italy was supposed to have desired and even implored British mediation, have collapsed.

"Other questions which were examined, but not at great length, were those regarding so-called refugees and the possibility, which in any case is remote, of limitation of armaments.

"As for the idea of maintaining the peace of Europe, it was expressed with firm conviction both on the Italian side as well as the English.

"After the Chamberlain and Mussolini contact, any pessimism, as well as any excessive optimism, would seem premature. It is necessary to leave to men of good will the task of securing the future of Europe, taking into account at the same time legitimate and vital necessities of the people."

Gayda Warns France

Writing in *Voce d'Italia*, Gayda declared France was playing a "dangerous game."

"French intervention threatens the liberation of the legitimate national interests of a noble people born for liberty and which is responsible in vital aspects for European peace and order," he wrote. "It is not, however, to be assumed that it can be achieved freely without provoking, whenever it may exceed measures heretofore tolerated, the necessary reaction on the part of nations which do not accept the transfer of Moscow powder works to Barcelona and uncontrolled exercise of more or less imperial domination."

Stating that extension of French influence in Spain would be "threatening for other Mediterranean nations," Gayda declared "surveillance is not lacking in Italy."

Chamberlain Is Back From Talks In Rome

London, Jan. 15 (AP)—Prime Minister Neville Chamberlain returned home from Rome today, smiling optimisti-

cally over progress of his European appeasement campaign, and was rewarded with a resounding kiss from his wife standing in the doorway of No. 10 Downing street.

There were no spirited scenes of shouting crowds such as greeted Chamberlain when he returned from Munich September 30, but the character of his Rome mission differed greatly from that at Munich when Europe was tense with the threat of immediate war.

The main crowd today was herded into Whitehall at the head of dead-end Downing street. The cheers were broken only briefly by such isolated shouts as "Up the Reds" as police reserves stood idly by.

Two persons were arrested charged with using insulting words and behavior during a demonstration at Victoria Station when Mr. Chamberlain arrived in London, but no arrests were made in Whitehall.

ADD LONDON...JAN 15

Tightly clutching his umbrella, Britain's Prime Minister alighted from an automobile in front of his home, smiled to onlookers, strode sedately across the narrow sidewalk into the doorway and ran smack into his wife's outstretched arms.

When the domestic scene had ended the Prime Minister returned to the sidewalk, holding his umbrella in one hand and Mrs. Chamberlain by the other, and they they acknowledged the greetings of a small crowd carefully controlled by the police.

Chamberlain returned from his conversations with Italian Premier Mussolini, to find news reports showing that Spanish Insurgents were making a headlong dash toward Barcelona, the government capital, in an offensive that might bring an end to the civil war with a victory for general Franco.

The Insurgent offensive interlocked with Chamberlain's task of finding some method to bring France and Italy together to prevent an outright rupture that might endanger the status quo in the Mediterranean.

In Paris uneasiness at the possibility of Italy gaining a stronger foothold in the Mediterranean, to the detriment of both France and Britain, through an Italian-aided Franco victory in Spain, was reflected in the action of Premier Edouard Daladier's radical Socialist party in demanding steps by the government to forestall such an eventuality.

On the other hand Informazione "iplomatica, bulletin service of the Italian Foreign Office, declared Mussolini had told Chamberlain in their conversations that in event of intervention on a large scale on behalf of the Spanish Government Italy would "reassume full liberty of action."

In Geneva, however, it was reported France and Britain were at work threshing out a scheme that might satisfy Italy on other issues. The scheme was said to include giving Italy free port privileges in French Somaliland and British Somaliland for her Ethiopian Empire, a voice in control of the Suez Canal and continued privileges for Italians in Tunisia.

The reception in Tokyo of a British note rejecting any recognition of any change in the status of China brought about by force was expected to occupy the Chamberlain cabinet this week, perhaps above all other issues.

FRENCH ASK CURB ON ITALY IN SPAIN

A resolution adopted by the committee accused Italy of violating her promises made to the London Non-Intervention Committee. It added that continued Italian occupation of Spain proper, the Spanish Balearic

Radical Socialists' Executive Demands Action to Prevent Menace to Empire

SAYS ROME VOIDS PLEDGES

Daladier Asserts Government Will Abandon Nothing—Dis- cusses Spain With Blum

PARIS, Jan. 15 (AP)—The executive committee of Premier Edouard Daladier's Radical Socialist party demanded today that the government consider necessary steps to prevent an Italian-aided Insurgent victory in Spain from menacing France's Mediterranean empire.

Islands and Spanish Morocco created "the gravest peril for our Mediterranean communications."

The sudden preoccupation of M. Daladier's own party with the whirlwind series of Insurgent victories in Catalonia, just south of the French border, injected a new note into the French-Italian territorial quarrel.

M. Daladier conferred in secret with members of the party governing committee on the danger to France of an Insurgent victory and in a speech to an open meeting of the committee warned that the next several weeks would be a time of uneasiness for the republic and its empire.

In an obvious reference to Italian clamor for a share of France's territorial holdings the Premier declared that all internal quarrels must be ended if France is to survive.

tions between France and North Africa, it is the end of the French Empire."

Referring to Italian denunciation of the 1935 French-Italian treaty, M. Berthod told the cheering Radical Socialists that from the way Italy had respected her other promises France could feel some anxiety on the way she would keep her promise to get out of Spain.

"We demand the government tell us what measures it will decide to take in the next few days in accord with the British Government!" M. Berthod shouted, turning to M. Daladier.

The Premier held long conversations yesterday with former Socialist Premier Leon Blum, which were said to have been devoted largely to the possibility of French aid for Spain. Some sources said that the Socialist leader had offered to end his party's quarrel with M. Daladier if the Premier would open the frontier to the Spanish Government.

Communists insisted, meanwhile, that help must be sent to Government Spain "before it is too late." Jacques Duclos, Communist party secretary, told a party rally at St. Quentin that the Italian offensive in Catalonia for a German-Italian victory in Spain would mean the inevitable formation of a Madrid-Rome-Berlin axis directed against France and her colonies.

IN AN OBVIOUS REFERENCE TO ITALIAN CLAMOR FOR A SHARE OF FRANCE'S TERRITORIAL HOLDINGS, THE PREMIER DECLARED THAT ALL INTERNAL QUARRELS MUST BE ENDED IF FRANCE IS TO SURVIVE.

"MY GOVERNMENT WILL CONCENTRATE ALL ENERGY TO PREVENT A CONFLICT WHICH WOULD MARK THE END OF WESTERN CIVILIZATION," HE THUNDERED. "BUT IT WILL NEVER ALLOW FRANCE'S POSITION AND INTERESTS TO BE QUESTIONED EITHER BY FORCE OR BY RUSS."

INSURGENT GENERALISSIMO FRANCISCO FRANCO'S VICTORIES IN SPAIN, COUPLED WITH THE ITALIAN THREAT TO FRANCE'S EMPIRE, HAVE CAUSED INCREASING CONCERN TO FRENCHMEN WHO FEARED A FRANCE SPAIN WOULD BE BUT ANOTHER BASE FROM WHICH ITALY COULD MENACE THEIR MEDITERRANEAN LINES OF COMMUNICATION WITH NORTH AFRICA.

Free Port Plan Considered for Italy on Red Sea

Bonnet and Halifax Meet at Geneva and Discuss Anglo-French Measures

By The Associated Press

GENEVA, Jan. 15.—Great Britain and France were reported reliably tonight to be threshing out a scheme for giving Italy free port privileges at Djibouti, French Somaliland, and Zeila, British Somaliland.

Viscount Halifax, British Foreign Secretary, and Georges Bonnet, French Foreign Minister, here for the League of Nations Council session opening tomorrow, met tonight at a suburban hotel and talked about the Fascist ambitions in Africa.

Lord Halifax came to Geneva from Rome, where he and Prime Minister Neville Chamberlain conferred last week with Premier Benito Mussolini and Count Galeazzo Ciano, the Italian Foreign Minister.

Here is a general outline of the scheme which, informed diplomatic sources said, may be offered to meet Italy's agitation for concessions:

From France, Italy would get free port privileges at Djibouti, terminus of the only railroad into Ethiopia; one or more seats on the Suez Canal Company's board of directors; reduced rates in the canal, and rights for Italians in Tunisia equal with the rights of the French there.

From Britain, Italy would get even broader free port rights in Zeila, a terminus of highways from Ethiopia, which would be improved with British capital. (Zeila is thirty miles southeast of Djibouti.)

Britain was also reported to be

considering two methods of lending money to Italy—either directly, or by way of insurgent Spain, which would pay part of the mounting insurgent debt in Rome for war materials.

Some Frenchmen made no secret of the fact that the stumbling block in such proposals was the idea of a free port at Djibouti. The fate of the now Nazi-dominated Free City of Danzig was a precedent which they feared might be applied to Djibouti.

Exponents of the free port proposal argued that Italy could be given all the commercial advantages of a free port although the city could remain under the French flag. Such an arrangement, they said, would fit in with the French cry of "no territorial concessions" for Italy.

Lord Halifax planned to return to London tomorrow night, while Bonnet wanted to be back in Paris by Tuesday to prepare for Wednesday's foreign affairs debate in the Chamber of Deputies.

French official circles indicated that negotiations were imminent between France and Italy, but described as "premature" reports that they already were under way. Bonnet returned to his hotel after a three-and-one-half-hour talk with Lord Halifax. A spokesman said he was "very satisfied" with the Rome

conversations as reported by the British Foreign Secretary. French quarters said that, immediately after arriving at his hotel, Bonnet telephoned to French Ambassador Andre Francois-Poncet at Rome to compare notes on the Italian attitude.

League Circles in Gloom

League circles, steeped in post-Munich gloom, watched today as diplomats engaged in "hotel politics" that had little to do with League business. League spokesmen acknowledged that Geneva now was forgotten amid what one called "the most unfavorable world conditions which have yet existed." Only "a miracle or a war," it was said, could give the League and its ideals a commanding place in Europe's power politics.

The Council agenda listed mainly consideration of non-political work, such as narcotics control, transit and communications, fiscal affairs, nutrition and intellectual co-operation. The only two political questions were the withdrawal of non-Spanish combatants from government Spain and the appeal of the Chinese government to the League.

The session will open with a private meeting at noon tomorrow, but

League quarters indicated that public discussions might be delayed until Tuesday.

Poland's desire that the League continue its nominal control over Nazi-dominated Danzig was said to have squelched a plan to relieve Karl Burckhardt, League High Commissioner, of his post. Authoritative sources said Burckhardt, a German-speaking Swiss, would not return to the Free City, but, at least for the present, would retain his title.

Burckhardt said yesterday to

delegates of Britain, France and Sweden, members of the League's Danzig committee, that his position in the Free City was "extremely difficult" and asked them to accept his resignation.

The British and French indicated that it was up to Poland to say whether the League should continue in Danzig, since the commission was created to safeguard Polish interests there. Until Poland requests its withdrawal, a League spokesman said, the League will retain its "theoretical control" over the Nazified Free City. Burckhardt was said to have agreed to keep his title unless Poland—or Germany—acts.

Smaller Powers Wowed

The main importance of the Council meetings at present is that they give French, British and Russian diplomats a chance to negotiate with representatives of smaller states, whose aid they seek. But little of these negotiations are expected to come out in the impending committee and Council sessions. They are material for the privacy of hotel suites and lobby corners.

Even government Spain and China look more to hotel talks than to the Council for what they seek. China wants arms and commercial credits to help her fight Japan, already declared by the Council to be an aggressor; Spain wants effective international action against aerial bombardment and food for her population.

Both states realize their main weapon is their "nuisance value." They know that both France and Britain, despite their current deal-with-dictators policies, are anxious that the machinery for peace and action against an aggressor be maintained.

GIBRALTAR, JAN. 16 (MONDAY) (AP)—THE BRITISH

GOVERNMENT ANNOUNCED TODAY THAT TWO-DAY EXERCISES BY THE HOME FLEET AND VESSELS STATIONED HERE AT THE FORTRESS WOULD START NEXT SUNDAY TO TEST GIBRALTAR'S STRENGTH UNDER WAR-TIME CONDITIONS.

THE MANEUVERS WILL BE A PRELUDE TO WAR GAMES BY THE FRENCH ATLANTIC AND MEDITERRANEAN FLEETS WHICH LEAVE THEIR BASES AT TOULON AND BREST WEDNESDAY FOR A DEMONSTRATION OF STRENGTH IN THE WESTERN MEDITERRANEAN.

THE FRENCH MEDITERRANEAN FLEET, AT LEAST, IS EXPECTED TO MEET THE BRITISH HOME FLEET ON ITS REGULAR SPRING CRUISE IN THE MEDITERRANEAN.

THE FRENCH MANEUVERS, ALTHOUGH ANNOUNCED DEC. 21, COME AT A TIME WHEN THE CONVERSATIONS OF PRIME MINISTER CHAMBERLAIN AND PREMIER MUSSOLINI IN ROME HAVE LEFT THE BRITISH ANXIOUS OVER THE SAFETY OF GIBRALTAR AND THE FRENCH UNEASY ABOUT THEIR LINE OF COMMUNICATIONS TO AFRICA.

(CABLE ADVANCE FOR AMS OF SUNDAY, JANUARY 15)

HERE'S THE "FINAL" MAP OF THE NEW CZECHO-SLOVAKIA; HOW LONG WILL IT STAY THAT WAY? (800)

(FOR USE WITH MAP WHICH MOVED BY WIREPHOTO WEDNESDAY NIGHT)

BY MELVIN WHITELEATHER

(ADVANCE) PRAGUE--(CORRESPONDENCE OF THE ASSOCIATED PRESS)--THE WORLD'S MAP MAKERS CAN SETTLE DOWN NOW AND FINISH THAT RETOUCHING JOB ON CZECHO-SLOVAKIA.

THE RESULTS OF THE CARVING AT MUNICH IN SEPTEMBER HAVE JELLED SO THAT "FINAL" LINES OF THE NEW FRONTIER CAN BE ACCURATELY DRAWN.

GERMANY'S SLICE OF THE WAR-BORN REPUBLIC IS LISTED BY THESE LATEST FIGURES AS ENCOMPASSING 10,810 SQUARE MILES AND 3,615,833 PERSONS.

HUNGARY'S SHARE IS GIVEN AT 4,593 SQUARE MILES AND 1,035,272 PERSONS.

POLAND GETS 375 SQUARE MILES AND 237,000 PERSONS.

MAPS SHOWING THIS "FINAL" REARRANGEMENT OF THE OLD CZECH BOUNDARIES ARE ALREADY ON THE MARKET, BUT THE SALE OF THEM IS NOT BRISK. FOR CENTRAL EUROPEANS ARE ASKING THE QUESTION:

"HOW LONG WILL IT LAST?"

JAN 16 1939

THE GENERAL OPINION WAS EXPRESSED BY A VIENNESE LAND OWNER IN THIS WAY----

"I AM GOING TO WAIT ANOTHER YEAR BEFORE SPENDING ANY MONEY ON A 'FINAL' BOUNDARY MAP."

TWO POINTS ON THE NEW MAP, ONE AT EITHER END OF RE-DRAWN CZECHOSLOVAKIA, HOLD ONE BIG ANSWER TO THE DOUBTS. THEY ARE THE FAMOUS BEER CITY OF PILSEN ON THE GERMAN BORDER AT THE WEST AND THE CARPATHO-UKRAINIAN CAPITAL OF CHUST NEAR THE RUMANIAN LINE ON THE EAST.

BETWEEN PILSEN AND CHUST ADOLF HITLER WILL BUILD THIS YEAR A 1,000 MILE LONG MOTOR ROAD.

OBSERVERS ARE ASKING WHETHER THAT ROAD MAY PROVE TO BE GERMANY'S ROUTE TO THE COVETED RUSSIAN UKRAINE.

IT WILL AT LEAST BE ONE MORE LEVER IN NAZI HANDS TO KEEP THE CZECHS UNDER GERMANY'S ECONOMIC AND POLITICAL THUMB.

IT WILL BE ONE MORE REASON WHY THE BROKEN REPUBLIC'S EXPORTS LARGELY WILL FLOW TO GERMANY, AS GERMANY DOES NOT PAY CASH, CZECHOSLOVAKIA WILL HAVE TO TAKE GOODS IN RETURN, THUS MAKING IT MORE DEPENDENT UPON GERMANY.

30.24-1227

30.24-1227

IT WILL BE AN AVENUE OF COMMUNICATION BETWEEN GERMANY AND THE 391,000 GERMANS LEFT IN CZECHOSLOVAKIA WHEN SUDETENLAND WAS LIFTED FROM THE CZECH MAP. THIS MINORITY (IT IS SCATTERED THUS: 244,000 IN BOHEMIA AND MORAVIA; 138,000 IN SLOVAKIA AND 8,793 IN CARPATHO-UKRAINIA) IS IN POSITION TO STIR TROUBLE AT ANY TIME DESIRED. JAN 16 1939 IS ORGANIZED ON NATIONAL-SOCIALIST LINES, RECOGNIZES HITLER AS FUEHRER, WAVES THE SWATISKA FLAG, USES THE HITLER SALUTE AND "HEIL HITLER". IT HAS A LEDER IN PRAGUE AND ANOTHER FOR BRATISLAVA AND CHUST.

NAZI INFLUENCE IN THE SLOVAK AND CARPATHO-UKRAINIAN GOVERNMENTS IS PREDOMINANT. IT EXTENDS EVEN TO THE ERECTION OF CONCENTRATION CAMPS.

SLOVAKS LOOK ACROSS THE DANUBE RIVER AT BRATISLAVA AND SEE ELECTRICALLY LIGHTED NAZI PROPAGANDA SIGNS STRATEGICALLY PLACED FOR THEIR BENEFIT. SLOVAK ANTI-SEMITISM AND ANTI-LIBERALISM ARE TAKEN FROM THE NAZI COPY BOOK. JAN 16 1939

NAZI INFLUENCE WITH THE SLOVAKS IS AN ADDED WEAPON TO KEEP THE CZECHS IN CHECK. THINLY MASKED HARMONY BETWEEN CZECHS AND SLOVAKS FREQUENTLY BURSTS FORTH INTO SLOVAK DEMANDS FOR FULL SOVEREIGNTY, NOT JUST AUTONOMY WHICH THEY NOW HAVE.

FURTHER EAST, THE CARPATHO-UKRAINIANS BELIEVE THEY HAVE GERMAN SUPPORT FOR A UNITED UKRAINIAN STATE COMPOSED OF UKRAINIANS NOW LIVING IN CZECHOSLOVAKIA, POLAND AND RUSSIA. A STRONG UNITED UKRAINIAN PARTY WHICH NOW HAS HEADQUARTERS IN CHUST, HAS NEVER CONCEALED THE FACT THAT FOR IT UNION WITH THE CZECHS AND SLOVAKS WAS MERELY A STEP TOWARD THEIR GREAT OBJECTIVE.

POLAND WOULD SUFFER HEAVILY FROM A UNITED UKRAINIA. IT ALSO DOES NOT LIKE TO SEE AN AUTONOMOUS UKRAINIA WITHIN A FEDERAL CZECH-SLOVAK STATE BECAUSE SUCH FREEDOM GIVES BROTHER UKRAINIANS IN POLAND (AND

THEY ARE POLAND'S BIGGEST MINORITY) THE URGE FOR SELF-GOVERNMENT.

SO POLAND, IN ACCORD WITH HUNGARY, TRIED TO HAVE UKRANIA DETACHED FROM CZECHO-SLOVAKIA AND SENT BACK TO HUNGARY. THIS WOULD HAVE GIVEN POLAND AND HUNGARY A COMMON FRONTIER.

JAN 16 1939

BUT IT ALSO WOULD HAVE BEEN ANOTHER IMPEDIMENT IN THE NAZI ROUTE TO THE RUSSIAN UKRAINE.

THIS LATTER FACTOR WAS DECISIVE. GERMANY STEPPED IN AND HALTED THE POLISH-HUNGARIAN ASSAULT.

THERE ARE SOME WHO BELIEVE THAT IT WILL BE BUT A MATTER OF TIME UNTIL GERMANY FORMALLY ABSORBS THE NEW CZECHO-SLOVAK STATE, OR AT LEAST DECLARES EXISTENCE OF A CUSTOMS UNION.

WEIGHT WAS PLACED BEHIND THE CUSTOMS UNION IDEA THE LAST OF DECEMBER WHEN IT WAS ANNOUNCED THAT FREE EXCHANGE OF GOODS BETWEEN SUDETENLAND AND CZECHO-SLOVAKIA, WOULD CONTINUE FOR AN INDEFINITE PERIOD.

BUT SOME ARE OF OPINION THAT GIVEN THE DEGREE OF CONTROL HITLER NOW ENJOYS OVER THE COUNTRY, A FORMAL CUSTOMS UNION IS UNNECESSARY

INDICATIONS ARE THAT THE NAZI HIGH COMMAND HAS NOT YET DECIDED JUST HOW IT IS GOING TO PUSH THE DRIVE EASTWARD. MEANWHILE, SEVERAL THINGS ARE BEING TESTED (UNITED UKRAINIAN STATE EMBRACING THE RUSSIAN UKRAINE UNDER GERMAN TUTELAGE, FRIENDSHIP WITH RUMANIA) AND MUCH WILL DEPEND ON HOW RUMANIA AND POLAND REACT.

(THE RUSSIAN UKRAINE CAN BE REACHED BY GERMANY EITHER THROUGH RUMANIA OR POLAND).

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BOTH THESE COUNTRIES HAVE SHOWN SIGNS OF DESIRE TO RESIST.

THE POLES BROUGHT A DUSTY FRIENDSHIP AND NON-AGGRESSION PACT WITH RUSSIA OUT OF THE GARRET AND POLISHED IT UP TO WAVE AT THE NAZIS.

EXTERMINATION OF NAZIFIED RUMANIAN IRON GUARD LEADERS AND A STUDIED ALOOFNESS ON THE PART OF KING CAROL HAVE GIVEN THE NAZI PRESS

OCCASION TO ASSERT THAT RUMANIA HAS LEARNED NOTHING FROM THE FATE OF CZECHO-SLOVAKIA.

SO THE NEW MAP WHICH IS "FINAL" TODAY MAY NOT BE SO FINAL TOMORROW (END SUNDAY ADVANCE, MOVED JAN. 12)

BE138AES

(ADVANCE)-ROME-(CORRESPONDENCE OF THE ASSOCIATED PRESS)-FASCISTS DEMAND THAT ITALY BE GIVEN A SHARE OF CONTROL OF THE SUEZ CANAL AS PART OF THE CONCESSIONS THEY ASK OF OTHER COUNTRIES TO SATISFY THE "NATURAL ASPIRATIONS OF THE ITALIAN PEOPLE."

THE GREAT WATERWAY, A VITAL POINT OF BRITAIN'S "LIFELINE" TO THE EAST AND FRANCE AND HOLLAND'S CONNECTING LINK WITH THEIR EASTERN POSSESSIONS, ALSO IS ITALY'S GATEWAY TO HER NEW ETHIOPIAN EMPIRE.

TO SEND SHIPS THROUGH IT SHE MUST PAY HEAVILY AND PAY IN GOLD-- WHICH TO A COUNTRY NOT OPERATED ON GOLD CURRENCY IS A DOUBLE BURDEN, FASCISTS SAY.

ITALY'S CLAIMS FOR A HAND IN CONTROL ARE BASED LARGELY ON A PROVISION OF THE CANAL COMPANY'S 1856 CHARTER, WHICH STIPULATES THAT IT IS TO BE AN INTERNATIONAL BODY, ADMINISTERED BY A COUNCIL OF 32 CHOSEN FROM "THE COUNTRIES MOST INTERESTED IN THE UNDERTAKING."

ITALY IS NOW THE SECOND GREATEST USER OF THE CANAL, EXCEEDED ONLY BY GREAT BRITAIN, AND THEREFORE FROM A TRADE STANDPOINT AMONG THE MOST INTERESTED COUNTRIES.

BUT THIS ARTICLE (CONCERNING CONTROL OF SUEZ) HAS BEEN INTERPRETED AS REFERRING ONLY TO CAPITAL INVESTED AND NOT TO NATIONS USING THE CANAL AND BY THE PAYMENT OF TOLLS FURNISHING THE COMPANY WITH ITS PROFITS," THE AUTHORITATIVE FASCIST EDITOR VIRGINIO GAYDA SAYS.

FASCISTS SAY THE CANAL'S PROFITS SINCE IT WAS OPENED IN 1869 HAVE PAID FOR ITS CONSTRUCTION SEVERAL TIMES OVER AND THAT TOLLS ARE SO HIGH THEY BRING IN THREE TIMES THE ACTUAL COST OF OPERATION.

FRANCE AND BRITAIN, WHERE CONTROL IS HELD, ARE PICTURED HERE AS SELFISH EXPLOITERS OF OTHER COUNTRIES AND THE SHAREHOLDERS OF THE SUEZ CANAL COMPANY ARE VIEWED AS PROFITEERING CAPITALISTS.

IN SUPPORT OF THIS POSITION, ITALIAN COMMENTATORS SAY SHARES IN THE COMPANY, WHICH ORIGINALLY SOLD AT ABOUT \$50, ARE NOW QUOTED AT ABOUT \$665 AND THAT ANNUAL DIVIDENDS ARE MORE THAN \$20 PER SHARE.

AND THE PRESENT SET-UP IS BLOCKING PROGRESS, IT IS CHARGED, FOR THOUGH THE PROFITS ROLL IN, THE COMPANY WILL NOT ENLARGE OR IMPROVE THE WATERWAY.

ITALIAN SHIPS, WHICH IN 1931 MADE UP ONLY FIVE PERCENT OF THE CANAL'S TRAFFIC, IN 1937 CONSTITUTED 17.71 PERCENT. THIS COMPARED WITH 46.31 PERCENT FOR GREAT BRITAIN, 8.05 PERCENT FOR GERMANY, 6.51 PERCENT FOR HOLLAND, AND 4.22 PERCENT FOR FRANCE.

ITALY IN 1937 PAID OVER \$9,000,000 IN TOLLS. LAST YEAR'S FIGURES ARE NOT YET AVAILABLE.

FASCISTS ARE ASKING A REORGANIZATION OF THE COMPANY'S COUNCIL, MAKING THE CANAL A "TRULY INTERNATIONAL WATERWAY." THIS WOULD GIVE ITALY A PROMINENT PLACE IN ITS MANAGEMENT AND PRESUMABLY IN THE OWNERSHIP, ENABLING HER TO SHARE IN PROFITS DIRECTLY, OR ELSE RECEIVE GREATLY REDUCED RATES.

THE CANAL, CONSTRUCTED BY THE FRENCH ENGINEER FERDINAND DE LESSEPS, ORIGINALLY WAS FINANCED ALMOST ENTIRELY IN FRANCE. THE BRITISH GOVERNMENT, WHICH HAD AT FIRST DOUBTED THE SUCCESS OF THE PROJECT, LATER ENTERED THE PICTURE BY BUYING OUT THE KHEWIVE OF EGYPT, WHO HAD ACQUIRED 176,000 SHARES FOR CONCEDING THE RIGHTS FOR ITS CONSTRUCTION.

THE COUNCIL AT PRESENT CONSISTS OF NINETEEN FRENCHMEN, TEN ENGLISHMEN, TWO EGYPTIANS, AND ONE DUTCHMAN.

THE ITALIAN CLAIMS HAVE FOUND CONSIDERABLE SUPPORT IN GERMANY,

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WHICH WAS DEPRIVED OF A SEAT ON THE COUNCIL AT THE START OF THE WORLD WAR.

THE CANAL COMPANY HAS MET THE ITALIAN CLAIMS BY A TEN PERCENT REDUCTION IN TOLLS AND A REPLY TO THE ARGUMENTS SET FORTH.

THE NEW TOLLS AMOUNT TO ABOUT \$1.43 PER PASSENGER AND \$1.43 PER CARGO TON AND ABOUT 71 CENTS PER BALLAST TON.

THE COMPANY SAID THAT WHILE ITALIAN TRAFFIC MADE A BIG INCREASE DURING THE ETHIOPIAN WAR, IT HAD BEEN DECREASING SINCE AND THE FIGURE FOR 1938 WAS BUT 13 PERCENT OF THE TOTAL.

THERE WERE ADEQUATE GUARANTEES THAT ITALY WOULD HAVE THE RIGHT TO USE THE CANAL AT ALL TIMES, IT WAS ADDED, AND REDUCED DIVIDENDS THIS YEAR WERE CITED TO PROVE THAT TOLLS WERE NOT EXCESSIVE.

A CONVENTION SIGNED IN 1888 AND REAFFIRMED BY BRITAIN LAST SPRING IN THE ITALO-BRITISH ACCORD, FORBIDS WARS IN THE CANAL ZONE AND PROVIDES THAT THE CANAL IS TO BE OPEN TO THE WAR AND MERCHANT VESSELS OF ALL NATIONS IN TIME OF WAR.

IN THE WORLD WAR, THE CANAL REMAINED THEORETICALLY OPEN TO ALL, BUT BRITISH BATTLESHIPS WERE STATIONED NEAR EACH END AND NO GERMAN SHIP USED IT.

DURING THE ETHIOPIAN WAR, SUGGESTIONS THAT ITALY BE BLOCKED BY CLOSING THE CANAL TO HER WERE DISCARDED.

IN SOME DIPLOMATIC QUARTERS IT IS FELT THE OUTCOME OF ITALY'S SUEZ DEMANDS WILL BE IMPORTANT TO THE UNITED STATES. FOR IF SUEZ IS PUT UNDER INTERNATIONAL CONTROL, A DEMAND THAT SIMILAR ACTION BE TAKEN IN THE CASE OF THE PANAMA CANAL MAY BE MADE BY SOME OF THE NATIONS USING IT, POSSIBLY JAPAN AND GERMANY.

THE ITALIAN GOVERNMENT HAS AS YET MADE NO FORMAL REPRESENTATIONS REGARDING THE SUEZ, BUT THE WIDESPREAD PRESS CAMPAIGN IS REGARDED AS

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JAN 9 1939

JAN 9 1939

JAN 9 1939

JAN 9 1939

AN INDICATION IN MOST QUARTERS THAT SUCH DEMANDS WILL BE MADE AND POSSIBLY WILL BE BROUGHT UP WHEN BRITISH PRIME MINISTER NEVILLE CHAMBERLAIN COMES TO ROME THIS MONTH.

(END SUNDAY ADVANCE, MOVED JAN. 8.)

R1223AES

Paris Assailed by Italian Press

Fascists Talk of Avenging 'Insults' With Guns —Il Duce Stands Firm on Spain.

ROME, Jan. 16 (A. P.).—Italy's anti-French campaign gained new impetus today with newspaper threats that Italians might avenge French "insults" with guns. The press attacks came as Italy made an insurgent victory in the Spanish civil war the price for settling her quarrel with France over colonial influence in the Mediterranean.

Newspapers unanimously published defiant protests against a statement attributed by the Paris newspaper L'Ordre to an anonymous French officer that ten Italian soldiers were hardly enough to fight one retired Frenchman.

Virginio Gayda, one of Italy's most responsible editors, wrote that French hatred of Italy was breeding Italian hatred of France until "finally the rifles will go off by themselves."

Although the article in L'Ordre was published last Thursday, indignation in Italy reached full cry only after Prime Minister Neville Chamberlain's departure from his appeasement visits to Premier Benito Mussolini.

News papers published telegrams from heads of Italian organizations of war veterans to Edouard Gueyot, who signed the article, calling him and the unnamed officer he quoted "low persons" and "liars."

Says Italy Is Ready to Fight.

Signor Gayda, asking whether a "suicidal mania" is moving the French against Italy, declared that Italy is "always in the line to defend" her national honor, "even by arms."

Italy's determination not to settle her quarrel with France until the Spanish war ended successfully became apparent with publication by the foreign office of an Informazione Diplomatica bulletin. The bulletin outlined what Premier Mussolini told Mr. Chamberlain in their conversations last week.

Some diplomatic circles thought the stiffening Italian attitude was a consequence of insurgent ad-

vances in the Barcelona offensive. They also saw again a danger that the Spanish conflict could become a general European fight.

Premier Mussolini told the British Prime Minister, said the Foreign Office bulletin quoting "responsible Roman circles," that specifically the Italian quarrel with France could not be settled until after the Spanish war because "the Spanish question has divided and still divides profoundly the two countries . . ."

Ready to Send More Men.

Italy is prepared furthermore to send even more Italian fighters to the Spanish insurgent army, if France or other democracies suddenly embark upon a program of large-scale aid to the Barcelona Government.

Troops now in Spain will be withdrawn only if belligerent rights are granted the insurgent Generalissimo, and if foreign fighters are eliminated from Spanish Government ranks to the satisfaction of Italy.

[Italy has withdrawn 10,000 soldiers from Spain, but others still are there. The Barcelona Government withdrew foreign troops also, but Fascists have been skeptical of the number.]

Premier Mussolini further told Mr. Chamberlain, the Foreign Office bulletin said, that "in the meantime there is absolutely no question of talking of arbitration, mediation, four-Power conferences or even three-Power conferences."

See Effort to Get Territory.

In diplomatic circles here the prediction was made today that this rude shock to the Chamberlain peace policy indicated that Premier

Mussolini would use an expected Spanish insurgent victory as the groundwork for a drive to get more Mediterranean territory. An insurgent victory, they thought, would provide him with a foothold in the Iberian peninsula, so that he could demand more for himself—and it would increase his ability to work with Chancellor Adolf Hitler of Germany.

Other observers thought, however, that Premier Mussolini might be trying chiefly to bluff France out of giving last-minute aid on a large scale to the Spanish Government, Fascists having expressed definite fears France would do this.

Reports from Geneva that Britain and France were considering a new plan to appease Italy with concessions in Djibouti and Zeila, British Somaliland, with the possibility also of a British loan brought no official comment here.

FRANCE IS WARNED BY ITALIAN PRESS

Fascists Says the Rome-Berlin Axis Will Block Help for Barcelona Government

INSULTS TO HONOR SEEN

Vatican City Newspaper Asserts Catholics Can Favor Only the Spanish Insurgents

ROME, Jan. 16 (A. P.).—France was warned today in the Fascist press that any French attempt to save the Barcelona government would dash itself against the Rome-Berlin axis.

Newspapers also called on the Italian people to be ready to avenge French "insults" against their national honor.

In a third development the Osservatore Romano, Vatican City newspaper, asserted that Catholics could favor only the insurgent side in the Spanish civil war.

The entire Fascist press made sharp attacks on France as, for the time being at least, Italy turned her attention from African aspirations to the Spanish conflict.

It was announced officially that a column of Italian soldiers was among the first insurgent troops to enter Tarragona, Spanish seaport, which fell to the insurgents yesterday.

The press protested against a

statement attributed by the Paris newspaper Ordre to an anonymous French officer that ten Italian soldiers were hardly enough to fight one retired Frenchman. Virginio Gayda, editor of the Giornale d'Italia, wrote that French hatred of Italy was breeding Italian hatred of France until "finally the rifles will go off by themselves."

The Tribuna charged that there was a growing move in France to "rush to the aid of the tottering Negrin government."

The Tribuna accused France of wanting to hold Spain in subjection during the presence there of an "army ready to defend the country against foreign interference."

"France and Europe," it said, "know exactly the consequences which any inadvisable and provocative act would bring: that Italian determination, in perfect harmony with the unshatterable directives of the Rome-Berlin axis, would oppose any desperate attempt with an insuperable barrier."

"The Spanish war must have its logical conclusion in the activity of forces now in conflict there, and so much the worse for him who has picked the wrong horse."

Chamberlain Home.

LONDON, Jan. 16 (A. P.).—Prime Minister Neville Chamberlain conferred today with his close advisers prior to a full Cabinet meeting Wednesday when he is to report on his Rome talks. He also was drafting a statement of his foreign policy in preparation for the re-assembling of Parliament January 31.

The Spanish civil war headed the many problems facing the Prime Minister. Some British quarters, especially worried about the position of British Gibraltar, felt concern over a warning to democracies by Premier Mussolini to "keep hands off" Spain. Should insurgent Generalissimo Franco win in Spain Fascist guns would command the vital Gibraltar gateway to the Mediterranean.

Mussolini's reported decision to co-operate in settling the problem of Germany's and Italy's Jewish refugees appeared to be the most concrete result of Chamberlain's trip. Pro-Government London newspapers also stressed the value of the "personal contact" and the fact that Mr. Chamberlain and Il Duce had become better acquainted.

Not a single Cabinet Minister was at Victoria station to meet the Prime Minister when he returned from Rome. This was in decided contrast to his return from Munich after the four-Power agreement on

Czecho-Slovakia's partition last fall when the entire Cabinet turned out to cheer him at Croydon airport.

CHAMBERLAIN AND MUSSOLINI EXCHANGED TELEGRAMS OF APPRECIATION.

THE BRITON WIRED MUSSOLINI:

"I CANNOT LEAVE ITALY WITHOUT EXPRESSING TO YOU PERSONALLY MY warm-
EST THANKS AND DEEP APPRECIATION FOR THE WELCOME EXTENDED TO ME. NOT
ONLY IN ROME BUT THROUGHOUT ITALY.

"THESE FEELINGS ARE SHARED BY LORD HALIFAX (FOREIGN MINISTER VISCOUNT
HALIFAX) AND TOGETHER WE RETURN TO ENGLAND STRENGTHENED IN OUR CONVIC-
TIONS AS REGARDS ANGLO-ITALIAN FRIENDSHIP AND IN OUR HOPE FOR THE MAINTEN-
ANCE OF PEACE."

MUSSOLINI REPLIED:

"I AM VERY SENSIBLE OF YOUR COURTEOUS TELEGRAM. I AM HAPPY TO REPEAT
THE VISIT TO ROME OF YOURSELF AND LORD HALIFAX HAS ALSO CONFIRMED IN
MY MIND THE EXISTENCE OF ITALO-ENGLISH FRIENDSHIP AND MY FAITH IN THE
MAINTENANCE OF PEACE IN ACCORDANCE WITH JUSTICE."

FINCH

BONNET WANTS ALIEN FIGHTERS TO QUIT SPAIN

French Foreign Minister
Tells Geneva Rebels
Must Comply.

LEAGUE COMMITTEE REPORTS

Says Loyalists Have Withdrawn
Foreigners — Italian Press
Issues Warning to Paris.

GENEVA, Jan. 16 (A. P.).—French Foreign Minister Georges Bonnet told the League of Nations council today that the complete evacuation of foreign volunteers from Spanish Government territory must be followed by complete evacuation of foreign fighters from insurgent Spain.

M. Bonnet spoke immediately after the league committee sent to Spain reported that it was "morally convinced" that all foreigners had been withdrawn from the Government front.

"That is only half of our work," the French statesman said.

The committee report said that evacuation of foreign volunteers now concentrated in camps behind the lines was still to be completed. When this is done, M. Bonnet declared, foreign volunteers with insurgent Generalissimo Francisco Franco must go.

"Only then will this crisis be free from dangers in which Spain is the essential factor," he continued.

Congratulates Loyalists.

M. Bonnet congratulated the Spanish Government on its initiative in proposing mass withdrawal of foreign fighters and for its co-operation with the league committee.

The committee's report declared that as of December 12 it had counted 12,673 foreigners which it believed after a thorough investigation on all fronts to be the total number in Loyalist Spain.

All these, the report said, were withdrawn from the front, and 4,640 had left Spain proper. Those who left included 548 citizens of the United States, 2,141 Frenchmen, and 407 British.

Premier Mussolini has withdrawn 10,000 Italians from insurgent ranks but a number still remain.

HALIFAX SPEAKS ALSO.

Lord Halifax, British Foreign Secretary, said that his government was "most anxious to co-operate for cessation of intervention on whatever said."

Halifax, who came here from the "appeasement talks" in Rome between British Prime Minister Chamberlain and Premier Mussolini, was less precise than Bonnet, however. He made no direct reference to foreign fighters in insurgent Spain.

Julio Alvarez Del Vayo, Spanish Loyalist Foreign Minister, postponed demands he intended making on the council but warned its members that "I will deal with the new situation on a subsequent occasion."

As the question of withdrawal of foreign volunteers was raised, Julio Alvarez del Vayo, Spanish Government Foreign Minister, was called to the Council table.

Warns Paris on Tunisia

Earlier, referring to the French-Italian quarrel over Africa, he warned France that an insurgent victory in Spain might cost her Tunisia.

Mussolini, he warned, likely would leave his troops in Spain under the pretense of keeping order in conquered areas. The insurgents, he agreed, would give Italy sea and air bases to cut French empire lines.

There were reports in League circles that Britain and France were talking over the prospects of trying to end the Italian colonial clamor with an offer of free port privileges in Djibouti, French Somaliland, and Zella, British Somaliland; a share in Suez Canal management and reduced rates in the Canal, and rights for Italians in Tunisia equal to those of French residents.

A possible British loan to Italy either directly or through insurgent Spain, to pay part of the insurgent debt in Rome for war materials was said to be considered.

Del Vayo Cautions France.

GENEVA, Jan. 16 (A. P.).—The fiery Spanish Government Foreign Minister, Julio Alvarez Del Vayo, seized upon the French-Italian quarrel over Africa today to warn France that an insurgent victory in Spain might cost her Tunisia. The official Italian Information Diplomatic statement in Rome that Premier Mussolini would talk with France only after the Spanish war ended—gave Senor Del Vayo his fuel.

The white-haired Spaniard came to Geneva for the League of Nations Council session, and arrived just as Viscount Halifax and Georges Bonnet, the British and French Foreign Ministers, finished a long conference.

Their spokesmen were saying that both were pleased with Premier Mussolini's assurance that he had no territorial designs on Spain.

Senor Del Vayo, however, with his Government mobilizing all its resources trying to halt Generalissimo Francisco Franco's fast and powerful drive toward Barcelona, argued that if the insurgents won in Spain, Premier Mussolini's bottom price for a settlement with France would rise far higher and might go as high as a demand for Tunisia, the French African protectorate.

Senor Del Vayo planned to address the opening public session of the League Council later today.

Bonnet Asserts Italians in Spain Bar Peace Talks

Addresses League's Council
After Report Says Aliens
Have Left Loyalist Lines

GENEVA, Jan. 16 (A. P.).—Foreign Minister Georges Bonnet of France told the League of Nations Council today that foreign combatants must be withdrawn from both sides the Spanish war before there could be any Mediterranean appeasement.

The speech was regarded by many as a challenge to Premier Benito Mussolini of Italy, who has been represented as confident of an insurgent victory soon and confident that Italy's support of the victory would lend weight to the Fascist agitation for Mediterranean concessions from France.

(An official bulletin of "Informazione Diplomatica," of the Italian Foreign Office, disclosed Sunday that Mussolini had informed Prime Minister Neville Chamberlain of Great Britain that any conciliation of the French-Italian Mediterranean quarrel must await an end of the Spanish war.)

Government Co-operates

Bonnet spoke after a League committee reported it was "morally convinced" all foreigners had been withdrawn from the government fronts in Spain. A few remain in camps behind the lines, the committee said.

The committee's report declared that, as of Dec. 12, it had counted 12,673 foreigners, which it believed, after a thorough investigation on all fronts, to be the total number in government Spain. All these, the report said, were withdrawn from the front, and 4,640 had left Spain proper. Those who left included 548 citizens of the United States, 2,141 Frenchmen and 407 Britons.

The French Foreign Minister said total withdrawals of foreigners from insurgent areas must follow completion of removal of non-Spanish combatants from government Spain.

He said: "Then, and only then, would it be possible to speak of an appeasement in the western basin of the Mediterranean."

Formal Statement Hinted

Many thought this meant there would be no negotiations between France and Italy until the Italians get out of Spain. Mussolini has withdrawn 10,000 Italians from the insurgent armies, but a number still remain. The Spanish government has charged that the 10,000 withdrawn have been replaced.

Authorized sources said Bonnet would tell the French Chamber of Deputies that Mussolini had authorized a formal statement by the British government that Italy would respect the territorial integrity of Spain.

Geneva diplomats sought the reason for Bonnet's stand, which Viscount Halifax, British Foreign Secretary, fresh from talks at Rome, for an Anglo-Italian understanding, did not fully support in a subsequent address to the council. Lord Halifax said the British government was "most anxious to co-operate for cessation of intervention on whatever side," but he made no direct reference to foreign fighters.

Some observers called Bonnet's comment "empty words," pointing out that the League committee still had a month in which to complete removal of foreigners from the government side.

Barcelona Held Prepared

Lord Halifax said the task should be completed within a month. Spanish sources said this explained a decision by the Spanish Foreign Minister, Julio Alvarez del Vayo, to withhold comment he had planned for today regarding the "new situation."

Alvarez del Vayo, it was believed, would hasten a complete withdrawal of foreign fighters from government territory and then demand that the French and British either get the Italians out of the insurgent armies or give the government aid.

Alvarez del Vayo told Bonnet that Barcelona could stand the shock of the current insurgent offensive. He told Bonnet the government had two defense lines to which it had withdrawn its army in an orderly retreat. One line, he said, was north of Tarragona, while the second and stronger one started from the sea-coast a few miles south of Barcelona. The Spanish Minister increased

his efforts to obtain passage for arms and munitions into Spain. He declared an insurgent victory would strengthen Mussolini and, in effect, cost France the loss of Tunisia, in Mussolini's proposed post-civil-war negotiations with France.

30.24-1231

30.24-1231

SPANISH SOURCES SAID DEL VAYO PLANNED TO INCORPORATE THIS ARGUMENT IN HIS SPEECH AT THE OPENING PUBLIC SESSION OF THE LEAGUE COUNCIL THIS AFTERNOON (ABOUT 10 A.M. EST.)

DEL VAYO REFUSED TO DISCLOSE PUBLICLY JUST WHAT HE WOULD SAY FOR BUT SPANISH SOURCES SAID IT WAS "HIGH TIME FOR FRANCE TO GIVE US SOMETHING MORE THAN WORDS." THEY WANTED FRANCE TO OPEN THE FRONTIERS TO ARMS AND AMMUNITION.

THE LECTURE WAS TO HAVE BEEN THE SAME AS THAT WHICH MME. TABOIS GAVE RECENTLY IN PARIS, A WARNING THAT ITALY COULD NOT EXPECT HELP FROM GERMANY IF FASCISTS PROVOKED WAR WITH FRANCE WITHIN THE NEXT 11 MONTHS.

GERMANY, SHE SAID, WILL NOT BE READY TO FIGHT UNTIL 1940.

ROMA TEL

Swiss Ban Anti-Italian Talk

GENEVA, Jan. 16 (A. P.).—The Swiss Government banned today an anti-Italian lecture scheduled by the French diplomatic writer, Mme. Genevieve Tabois, of the Paris newspaper the Oeuvre. The Swiss explained that the ban was merely in keeping with a policy of preventing political addresses outside the League of Nations while League bodies were in session. The League Council now is meeting.

GENEVA - JAN 16
SPAIN, HE TOLD THE FRENCH, WOULD GIVE ITALY NOT ONLY SEA AND AIR BASES TO CUT FRENCH EMPIRE LINES IN THE MEDITERRANEAN BUT WOULD PLACE ITALY ON THE ATLANTIC SIDE OF GIBRALTAR.

MOSCOW, JAN. 16 (AP)—THE SOVIET PRESS EXPRESSED OPEN SKEPTICISM TODAY THAT ANYTHING EXCEPT MORE CONCESSIONS WOULD COME FROM BRITISH PRIME MINISTER CHAMBERLAIN'S "APPEASEMENT TALKS" WITH PREMIER MUSSOLINI IN ROME.

JAN 17 1939

"ONE SHOULD NOT OVERLOOK THIS VERY ESSENTIAL AND PECULIAR FEATURE OF CHAMBERLAIN'S FOREIGN POLICY," SAID IZVESTIA, THE GOVERNMENT ORGAN. "IN NEGOTIATING WITH LEADERS OF AGGRESSIVE, MILITANT COUNTRIES HE HIMSELF NEVER DEMANDS ANYTHING AND ONLY ASKS WHAT THEY WANT. THEN HE GIVES WHAT HE CAN."

THE SAME STRATEGY, IZVESTIA SAID, WAS EMPLOYED BY BRITISH DIPLOMACY IN THE CZECHO-SLOVAK CRISIS LAST SEPTEMBER.

"AT FIRST," IT ASSERTED, "THEY DISCUSSED THE GERMAN CLAIMS WITH THE GERMAN AGGRESSORS AND THEN ACTED AS INTERMEDIARIES--WHICH, IN TURN, LED TO SATISFACTION OF GERMANY'S MAXIMUM CLAIMS."

MOSCOW'S GERMAN LANGUAGE DAILY, DEUTSCHE ZEITUNG, ARGUED THAT THE ROME CONVERSATIONS WERE NOT PEACE TALKS AT ALL. IT SAID THEY WERE "DISCUSSIONS AS TO THE POSSIBILITY OF STRIKING ANOTHER BARGAIN BETWEEN BRITAIN AND ONE OF THE MOST INSOLENT FASCIST AGGRESSORS IN EUROPE."

REPORTS
BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JAN 16--THE NEGATIVE RESULTS OF THE ROME CONFERENCE BETWEEN BRITISH PREMIER CHAMBERLAIN AND SIGNOR MUSSOLINI MEAN THAT THE ANGLO-FRENCH BROTHERHOOD OF DEMOCRACY ALREADY HAS GOT UNDER WAY WITH ITS NEW POLICY OF CRACKING DOWN ON THE DICTATORS.

JAN 17 1939

FOR THE FIRST TIME IN LONG MONTHS OF SEARCH FOR PEACE MR. CHAMBERLAIN LEFT HIS MUCH DEBATED "POLICY OF APPEASEMENT" ON A TOP SHELF AT HOME. INSTEAD THE GREY HAired BRITON, UPON WHOSE AGING AND SLENDER

SHOULDERS RESTS THE GREAT WEIGHT OF LEADERSHIP OF EUROPEAN DEMOCRACY IN THESE CRITICAL DAYS, PRESENTED A STIFF NECK TO FASCIST CLAIMS.

THAT IS ONE OF THE TWO IMPORTANT DEVELOPMENTS OF THE CONFERENCE IN THE ETERNAL CITY. AND IN A BROADER SENSE, THE FARLEY WASH'T NEGATIVE SINCE IT BROUGHT OUT THIS VITAL CHANGE IN THE RELATIONS BETWEEN THE TOTALITARIAN STATES AND THE DEMOCRACIES.

THE OTHER DEVELOPMENT OF NOTE WAS THE APPARENT QUICK RECOGNITION BY THE EVER WATCHFUL AND ASTUTE HITLER OF THIS STARTLING ABOUT-FACE.

THE NAZI CHIEFTAIN IS RELIABLY REPORTED TO HAVE STEPPED IN AFTER LISTENING AT LONG DISTANCE TO THE CONVERSATIONS AND URGED MUSSOLINI TO KEEP THE PEACE FOR A YEAR BEFORE INSISTING THAT ITALY'S "NATURAL ASPIRATIONS" BE MET.

JAN 17 1939

THAT MOVE OF DER FUHRER ISN'T HARD TO INTERPRET. IF IT COMES TO A SHOWDOWN, HE MUST BACK HIS FASCIST ALLY--AND HITLER HAS OTHER THINGS ON HIS MIND AT THE MOMENT.

THERE ARE TWO EXCELLENT REASONS WHY THE NAZI LEADER SHOULDN'T WANT TO GET MIXED UP--
WANT TO GET MIXED UP IN TROUBLE WITH THE DEMOCRACIES RIGHT NOW.

ONE IS THAT HE IS GENERALLY CREDITED WITH INTENDING TO TRY TO GAIN CONTROL OF THE RUSSIAN UKRAINE IN THE SPRING. THE OTHER IS THAT, WHILE HE MIGHT CHANCE A FIGHT WITH ONE NATION, HE ISN'T READY FOR A GENERAL EUROPEAN CONFLICT, WHICH IS WHAT A CLASH BETWEEN THE DEMOCRACIES AND THE DICTATORSHIPS WOULD MEAN. NOBODY ELSE IS READY, FOR THAT MATTER.

JAN 17 1939

ANYWAY, THE GAGE HAS BEEN TOSSED DOWN IN THE ROME CONFERENCE AND ACCEPTED.

JAN 17 1939

IT MUST HAVE TAKEN GREAT COURAGE ON MR. CHAMBERLAIN'S PART APPARENTLY TO REVERSE HIS APPEASEMENT POLICY AFTER PURSUING IT WITH SUCH DOGGED PERSISTENCE THAT HE HAD ALL ENGLAND--AND THE REST OF THE WORLD FOR THAT MATTER--SPLIT INTO TWO CAMPS OF OPINION. AND

ALMOST CAUSED THE DOWNFALL OF HIS GOVERNMENT. HOWEVER, WHILE MANY DIS-
AGREE WITH HIS POLICIES, NOBODY EVER ACCUSED HIM OF LACKING COURAGE.
THE LITTLE MAN WITH THE UMBRELLA IS A SCRAPPER.

SO THE PROGRAM AS LAID DOWN BY THE OVERLORDS WOULD SEEM TO BE
THAT THE DEMOCRACIES AND THE DICTATORSHIPS WILL CONTINUE FOR
A YEAR TO ARM AGAINST EACH OTHER, GETTING SET FOR A SHOW-DOWN.
MEANWHILE HERR HITLER WILL HAVE A GO AT GETTING DOMINATION OF THE
WEALTH OF THE UKRAINE, AND IF SUCCESSFUL WILL PRESUMABLY BE VASTLY
STRONGER THAN HE IS NOW.

JAN 17 1939

AND WHAT OF THE MAN IN THE STREET--THE GNAW WHO HOLDS THE SACK
WHEN THE BIG FELLOWS DECIDE TO GO TO WAR?

FROM PERSONAL INVESTIGATION ABROAD I AM SURE THAT THERE ARE
MIGHTY FEW PEOPLE IN ANY EUROPEAN COUNTRY--DICTATORSHIP OR DEMOCRACY
--WHO WANT WAR OR WHO, IN FACT, DON'T ABHOR THE IDEA. STILL, AS
THINGS STAND AT PRESENT A CALL TO ARMS WOULD FIND PATIENT OLD
TOMMY ATKINS AND THE REST TRUDGING OFF TO BATTLE.

THE CITIZENS OF THE BIG FOUR--ENGLAND, FRANCE, GERMANY AND ITALY
--AT THIS WRITING WOULD FOLLOW THEIR LEADERS. A FRESH SET OF CIR-
CUMSTANCES MIGHT ALTER THAT POSITION RATHER QUICKLY, OF COURSE.

THERE IS ONE QUALIFICATION WHICH MUST BE MADE TO THE ABOVE. MANY
OBSERVERS BELIEVE THAT THE PEOPLE OF ITALY GENERALLY ARE OPPOSED
TO THE NAZI POLICIES AND WOULDN'T WANT TO FIGHT SOLELY IN SUPPORT
OF THE REICH. THEY WILL FOLLOW THEIR DUCE IN OTHER ADVENTURES,
HOWEVER, AND THAT WOULD INCLUDE A GENERAL EUROPEAN WAR.

HTS:AKS

PRAGUE, JAN 16-(AP)--ANDREW BRODY, FIRST PREMIER OF CARPATHO-UKRAINE
IN CZECHO-SLOVAKIA, WHO WAS ARRESTED OCT. 26 ON SUSPICION OF HIGH
TREASON, WILL BE RELEASED SHORTLY AND ALL CHARGES WILL BE DROPPED.
IT WAS LEARNED TONIGHT FROM GOVERNMENT CIRCLES. THE GOVERNMENT'S

JAN 18 1939

30.24-1233

30.24-1233

DESIRE TO IMPROVE ITS RELATIONS WITH HUNGARY, FOLLOWING SEVERAL BORDER
INCIDENTS, WAS SAID TO HAVE MADE THE DECISION. BRODY WAS CHARGED
WITH PLOTTING WITH HUNGARIANS IN THE NEGOTIATIONS FOR CESSION OF MAGYAR-
POPULATED AREAS OF CZECHO-SLOVAKIA.

FASCISTS RETURN MEDALS OF "SWINISH FRANCE" AND THREATEN NAVAL ATTACK

"Ready For War As For Feast Day," One Paper
Cries, After Taunt That Italian Sailors
Never Leave Own Shores

Rome's Fury Reaches New Peak As Paris Formally
Considers Aiding Spanish Loyalists--"Duped
By Duce," Parliament Told

ROME--Italian veterans return to "swinish France" the World War
medals given them by that nation; press, in new fury, threat-
ens naval attack, says 44,000,000 Italians "spit in face of Third
Republic."

HENDAYE--Gen. Francisco Franco takes personal command of
main force driving against Barcelona, leads it down main high-
way via Igualada for ten-mile gain beyond Cervera. Fugitives
see fall of capital in three weeks.

PARIS--Government reported formally considering aid to Spanish
Loyalists, as pressure upon it to give such help increases;
France "duped on nonintervention," Parliament member de-
clares; British support wanted.

[By the Associated Press]

Rome, Jan. 17--Italian veterans today sent back French
medals they won in the World War and some newspapers spoke
of a "spit in the face" for France as bitterness against that
nation reached a new peak.

The Fascist extremist newspaper *Il Tevere* declared that
44,000,000 Italians "spit in the face of the Third Republic
(France)," which "patiently is wiping its face with sheets of its
newspapers."

Brie Gen. Silvio Lucio Mussini retired officer of Turin.

started the movement to return the
medals by sending his Croix de Guerre
to a Rome newspaper.

"Swinish France"

He proposed that Italian veterans
send in all their French decorations,
to be returned to the President of
France. The medals promptly began
to pour in with letters expressing dis-
gust at having "defended swinish
France."

French disparagement of the Italian
Army and Navy and a Fascist belief
that Paris was considering sending aid
to the Spanish Government in its civil
struggle stirred the resentment.

Threatens Naval Attack

Il Messaggero attacked a statement
attributed to the *Paris-Midi* that "only
imperious necessity can make Italian
sailors lose sight of their native shores,"
which was published in all papers be-
neath indignant headlines.

"The 'imperious necessity' is about
to become apparent," *Il Messaggero*
said. "If provocations continue, other
shores will be visited soon by sailors
of his Italian Majesty."

"Ready As For Feast Day"

Il Popolo di Roma demanded to know
whether France desired to "push an
already red-hot situation toward the
irrevocable." If it should, the news-
paper said, the Italian people would be
found "ready as if for a feast day."

The "ignoble language of the French
press," *Il Popolo* added, "constitutes,
in so far as it expresses the state of
mind of all France, an insurmountable
barrier to world pacification."

"Whip Their Back-Sides"

"When such ignoble depths are
reached, the pen must give way to the
whip applied to the backsides which
are accustomed to German boots; or
better yet, as already has been very
well said, to a spit in the face."

The Italian Government already has
warned that Italy would "reassume
full liberty of action" if foreign as-
sistance went to the Spanish Govern-
ment on a vast scale. An official an-
nouncement disclosed Italian soldiers
were among the first Spanish Insur-
gent troops to enter Tarragona, Span-
ish seaport which fell to the Insurgents
Sunday.

Il Messaggero, in its thrusts at the
Paris press, asserted that "if a cam-
paign were necessary, which it is

not, to inflame minds for France, it would be entire language of the French press than to us."

In the next war, the paper said, the Italian navy would possess "power—and preparation which the French will be in a position to experience and appreciate to a proper degree."

A Paris dispatch to the newspaper, discussing French policy toward Spain, said France was "uncertain whether to send (army) divisions to Negrin (Spanish Premier) or an Ambassador to Burgos (seat of the Insurgent regime)."

Ciano Departs For Belgrade to Line Up Balkans

Italy - Hungary - Yugoslavia Blocs Aim; War Veterans Give Back French Medals

ROME, Jan. 17 (AP).—Italy began helping Germany line up the Balkan countries for the Rome-Berlin axis tonight while Fascists vented hatred of France. Count Galeazzo Ciano, Italian Foreign Minister and son-in-law of Premier Benito Mussolini, left tonight for Yugoslavia to visit Dr. Milan Stoyadinovich, Yugoslav Premier and Foreign Minister.

Authoritative Italian circles said the trip was intended largely to complete elimination of French influence from southeastern Europe, which they said was in "a ferment of revisionism." Fascists indicated a bloc of Italy, Hungary and Yugoslavia as an adjunct of the Rome-Berlin axis was Ciano's aim. It was not improbable, they said, that an agreement between Hungary and Yugoslavia would be the first step.

Count Ciano was invited by Dr. Stoyadinovich to join a hunting party not far from the Hungarian frontier. On a similar hunting party with Hungary's Regent, Admiral Nicholas Horthy, in December, Count Ciano began work on the Italian-Hungarian-Yugoslav triangle.

Italy's diplomatic task was to overcome Hungary's national minority claims on Yugoslavia, which got a slice of Hungarian territory after the World War.

In Accord With Berlin Axis A Hungarian-Yugoslav agreement, if eventually negotiated, would be similar to that under which Italy and Yugoslavia have guaranteed to respect their common frontier. It would bind Hungary to respect Yugoslavia's post-war Hungarian frontier and Yugo-

slavia to treat her Hungarian fairly. Italy's Danubian policy is in perfect accord with Berlin," Virginio Gayda, authoritative commentator, wrote in *Il Giornale D'Italia*.

Gayda said Italy was offering to free Yugoslavia from French and other foreign capital by sending engineers and machinery for construction of public works.

Send Back French Decorations Italian bitterness against France was marked today by the surrender of French World War medals by Italian veterans at the suggestion of Brig. Gen. Silvio Lucco Mussino, retired, of Turin.

He sent his own Croix de guerre to a Rome newspaper with a proposal that all French-decorated Italian veterans turn in their medals and the medals began to pour in with letters expressing disgust at having "defended swinish France."

This and fresh anti-French invective in the Fascist press followed disparaging remarks in the French press against Italian soldiers and sailors.

Paper Voices Threat Newspapers attacked a statement attributed to the *Paris-Midi* that "only imperious necessity can make Italian sailors lose sight of their native shores." "The 'imperious necessity' is about to become apparent," said *Il Messaggero* of Rome. "If provocations continue, other shores will be visited soon by sailors of his Italian Majesty."

Il Tevere of Rome said 44,000,000 Italians "spit in the face of the Third Republic" which "patiently is wiping its face with sheets of its newspapers."

ROME--FIRST ADD NIGHT LEAD ITALIAN X X X ITS NEWSPAPERS.
IL GIORNALE D'ITALIA SAID CIANO WOULD WORK TOWARD AN INCREASE IN TRADE BETWEEN ITALY AND YUGOSLAVIA, PROBABLY OPENING ITALIAN COMMERCIAL CREDITS FOR YUGOSLAVIA.

ITALIANS WILL SEEK AID FOR TRIESTE, ITALIAN ADRIATIC PORT, BY CREATING A FREE ZONE THERE FOR YUGOSLAV GOODS, THE NEWSPAPER SAID. TRIESTE'S BUSINESS HAS SUFFERED SINCE GERMAN ANNEXATION OF AUSTRIA LAST MARCH 13 ELIMINATED MUCH AUSTRIAN TRADE THERE.

CIANO'S TRIP FITS INTO AN IMPORTANT NETWORK OF NEGOTIATIONS IN WHICH REICHSFUEHRER HITLER'S AIDE, FIELD MARSHAL HERMANN WILHELM GOERING AND POSSIBLY COUNT STEFAN CSAKY, HUNGARIAN FOREIGN MINISTER, ARE EXPECTED EVENTUALLY TO SHOW UP FOR YUGOSLAV TALKS.

MOST OBSERVERS REASON THAT IF HITLER INTENDS TO CARVE A UKRAINIAN STATE OUT OF POLAND, RUMANIA AND SOVIET RUSSIA SUCH DIPLOMATIC NEGOTIATIONS MAY BE THE PRELIMINARIES.

GAYDA SAID ONE OF CIANO'S PURPOSES WAS TO CONVINCE RUMANIA THAT HER INTERESTS LIE WITH ITALY AND GERMANY RATHER THAN WITH BRITAIN AND PARTICULARLY FRANCE WHOSE INFLUENCE HITHERTO HAS PREDOMINATED. YUGOSLAVIA COULD AID IN THE JOB OF PERSUASION, GAYDA WROTE.

Paris Consults London on Spain

Bonnet Says Possible French Aid for Loyalists Depends on Britain's Attitude.

PARIS, Jan. 17 (A. P.).—Foreign Minister Georges Bonnet said today that the question of reopening France's frontiers to help for the sorely pressed Spanish Government depended on the attitude of Britain.

During a lull in the Chamber of Deputies' debate on the danger to the British lead.

[Informed London sources said that M. Bonnet had been informed by British Foreign Secretary Viscount Halifax that Britain would not intervene in the Span-

ish war "regardless of the fate of Barcelona" or French desires to help the Loyalists.]

M. Bonnet's statement came just after Leon Blum, Socialist former premier, demanded in the Chamber that the French and British governments either denounce the non-intervention accord or make Italy observe it.

Source: Nonintervention. M. Blum described the nonintervention pact as "a monstrous hypocrisy" which had allowed the Italians to install themselves on France's southern frontier at a critical time of tension between the two Powers.

M. Bonnet said that France and Britain were conferring on a solution which would end Italian and German aid to the insurgents without creating the danger of a general war, which might follow active French intervention on the Government side.

Before the Chamber debate opened the Government was said to have taken up anew the possibility of opening its Pyrenees frontier.

Sources close to the Foreign Office said that the Government of Edouard Daladier was considering rushing arms and munitions to the defense of Barcelona to meet Italian men and material aiding the insurgent offensive.

Foreign Minister Georges Bonnet returned from a meeting of the League of Nations council at Geneva to encounter increasing demands for such action.

M. Bonnet went directly from the train to the Chamber of Deputies to face a foreign policy debate.

Sees France Duped. Deputy Alfred Margaine, member of Premier Daladier's own Radical Socialist party, told the Chamber: "We have been duped in the policy

of nonintervention in Spain. We acted through fear of war which should be enough to condemn such a policy."

Other Deputies joined in the attack of nonintervention.

Officially the situation was said at the Foreign Office to be that France always had reserved the right to make use of her "liberty of action" if the other Powers failed to carry out their pledges under the non-intervention accord. This meant theoretically that France could reply to Italy's avowed intervention in Spain by similar action.

Actually, however, French aid has been withheld both because of British urgings and French fear of precipitating a new crisis. Officials said that any decision now to send aid to the Spanish Government would be taken only in agreement with Britain.

Indication of the next turn in the situation was expected to come from speeches by M. Bonnet and M. Daladier Thursday at conclusion of the Chamber's foreign policy debate.

FRANCE DROPS PLAN TO HELP LOYALISTS

Reaches Decision After Britain Refuses To Intervene In Spanish Strife

Berlin Reports Warn Against Opening Of Border For Arms Supplies

[By the Associated Press] Paris, Jan. 17—France apparently decided today to stay clear of the Spanish war.

The Government said it would not give aid to the Spanish Government unless Britain did, and Britain was determined not to intervene. Risk of a European war was considered too great.

Government leaders wrestled with the problem throughout the day and at one point considered the advisability of taking the bull by the horns and

acting on their own, but the old bugaboo of a war in which France might find herself alone seemingly was too much.

Compromise Under Discussion

Georges Bonnet, Foreign Minister, wound up the day by announcing that France would revise her policy of non-intervention in Spain only if Britain did. He was careful, however, not to close the door too tightly on the hopes of a considerable portion of the French Parliament, which was demanding help for Spain's Government.

France and Britain, he said, were conferring on a detente and between solution which might end Italian and German aid to the Spanish Insurgents without risking war.

The nature of the plan was not disclosed. Word from London was that the British Government did not look at all favorably on the idea of opening the French frontier, which had been closed to shipment of arms to Government Spain since last spring.

Indirect Berlin Warning

Meanwhile, reports from Berlin stated with a tone of assurance that Germany would regard the reopening of the border as a highly dangerous act. The Government-controlled press of Italy chimed in with a statement that 44,000,000 Italians "spit in the face" of the French republic.

Premier Edouard Daladier's plight in the face of the Insurgents' continuing advance on Barcelona and the evident unwillingness of England to sanction open aid to Spanish Government armies was put on public display in the Chamber of Deputies.

There Daladier and his Ministers were assailed by Communists and Socialists in front of their own Radical-Socialists, who demanded aid for Barcelona. Behind these demands was a well-understood threat to band together in an effort to cripple the Cabinet.

Blum Calls For Chamber To Act

Leon Blum, former Premier and militant leader of the Socialists, who are numerically the strongest party in the Chamber, called on the tumultuous session to go on record on the Spanish question.

"It is up to the Chamber to say," he declared, "that the French and English governments now are obliged to denounce the non-intervention accord or at least to demand strict compliance by all signatory powers."

To get back to strict compliance with the twenty-six-nation "hands-off-Spain" agreement, Italy, one of the signatories, would have to withdraw all Italian troops now in Spain.

Bonnet, who had come back hurriedly from a League of Nations Council meeting at Geneva, calmed the Chamber storm momentarily, largely with the help of Pierre-Etienne Flandin, former Rightist Premier.

PARIS--FIRST ADD NIGHT LEAD FRENCH X X X FLANDIN.

FLANDIN TOOK UP AN HOUR OF THE CHAMBER'S TIME WITH A SPEECH STATING IT WAS TOO LATE FOR FRANCE TO IMITATE OTHERS BY BUTTING IN IN SPAIN.

COMMUNISTS LATER PLACED A MOTION BEFORE THE CHAMBER DEMANDING THAT THE BORDER BE REOPENED IMMEDIATELY FOR SHIPMENT OF SUPPLIES TO BARCELONA.

WHATEVER MAY BE FRANCE'S FINAL STAND ON SPAIN--WHETHER SHE DECIDES TO INTERVENE OR TAKES A POSSIBLE INSURGENT VICTORY WITH A FORCED SMILE--THERE CAN BE NO QUESTION OF HER ATTITUDE TOWARD HER OWN COLONIES.

SHE IS MAKING A POINTED SHOW OF FORCE, BEGINNING TOMORROW, WHEN 80 WARSHIPS OF THE ATLANTIC AND MEDITERRANEAN FLEETS WILL STEAM OUT OF BREST AND TOULON FOR MANEUVERS OFF THE AFRICAN COAST. THE TWO FLEETS WILL MEET NEAR GIBRALTAR AND ENGAGE IN BATTLE PRACTICE.

NY655PES

London to Keep Hands Off.

London, Jan. 17 (A.P.).--Informed British sources said today that Foreign Secretary Viscount Halifax told French Foreign Minister Georges Bonnet at Geneva that Britain would not intervene in the Spanish war "regardless of the fate of Barcelona" or of any French desire to aid the Spanish Government.

It was stated reliably that Prime Minister Chamberlain had drafted a memorandum for the Cabinet recommending that Britain follow the policy of nonintervention in Spain "to the letter."

At the same time it was understood that he would convey to the Cabinet tomorrow a promise newly given by Premier Mussolini in their Rome talks to maintain the status quo in the Mediterranean and to take Italian troops out of Spain if and when the Spanish insurgents win.

Despite Il Duce's promises, some British officials expressed apprehension that Spain would be dominated by Italy and Germany if the insurgents win the civil war.

Nevertheless, it was reasoned here that British and French aid to Barcelona now would involve the risk of a general war. It thus seemed apparent that the British were trying to discourage the French from opening the Pyrenees frontier to arms and materials.

SO FAR, IT WAS SAID HERE, FRANCE HAS NOT ASKED BRITAIN SPECIFICALLY TO COOPERATE IN ALLOWING THE SPANISH GOVERNMENT TO BUY ARMS.

IN THE GENEVA CONVERSATIONS, IT WAS BELIEVED, BONNET SOUGHT ONLY LORD HALIFAX' VIEWS ON THE POSSIBLE OPENING OF THE FRONTIER.

LORD HALIFAX, NOW ENROUTE TO LONDON, WAS SAID TO PLAN TO STATE THE FRENCH VIEWS TO THE BRITISH CABINET TOMORROW. THE BRITISH FOREIGN SECRETARY STOPPED AT GENEVA ON HIS WAY HERE FROM ROME, WHERE HE AND CHAMBERLAIN CONFERRED WITH PREMIER MUSSOLINI LAST WEEK. THE CONFERENCES WERE DESCRIBED AS GENERALLY FRUITLESS BUT WERE FOLLOWED BY ITALIAN WARNINGS THAT SETTLEMENT OF FRENCH-ITALIAN MEDITERRANEAN "PROBLEMS" DEPENDED ON AN INSURGENT VICTORY IN SPAIN.

(THE ROME TALKS FOLLOWED A BRITISH-ITALIAN AGREEMENT SIGNED NOV. 26 IN WHICH THE PRINCIPLE OF THE STATUS QUO IN THE MEDITERRANEAN WAS RE-AFFIRMED.

(AMONG THE JOINT BRITISH-ITALIAN AGREEMENTS WERE THOSE TO USE NO

PROPAGANDA AGAINST EACH OTHER, NOTIFY EACH OTHER IN ADVANCE OF ANY NEW NAVAL OR AIR BASES IN THE EASTERN MEDITERRANEAN, OR THE RED SEA AND EXCHANGE INFORMATION ON PROSPECTIVE MAJOR DEVELOPMENTS OF ARMED FORCES IN THE MEDITERRANEAN, RED SEA, GULF OF ADEN, THE SUDAN AND OTHER REGIONS.

(ITALY HAS DENOUNCED HER 1935 CONVENTION WITH FRANCE, INDICATING THAT ITS CONCESSIONS TO HER CONCERNING AFRICAN TERRITORY AND ITALIAN CITIZENSHIP RIGHTS IN FRENCH OUNISIA NO LONGER WERE CONSIDERED ADEQUATE. MEANWHILE THE ITALIAN PRESS HAS KEPT UP AN UNOFFICIAL CLAW FOR FRENCH AFRICAN TERRITORIES.)

PARIS WARNED OF NEW MUNICH

**Kerillis Makes Prediction in
Newspaper Satire.**

**HAS HITLER AND DUCE TALK
Gives Imaginary Discussion of
Action After Franco Wins.**

PARIS, Jan. 17 (A. P.).—Henri de Kerillis, Parliamentary Deputy, told Paris in a newspaper satire today that Premier Benito Mussolini of Italy and Chancellor Adolf Hitler of Germany have prepared a "second Munich" to occur when the Spanish insurgent forces of Gen. Francisco Franco enter Barcelona.

An imaginary telephone conversation between the two dictators was published in the deputy's newspaper L'Epoque.

It went like this:
Hitler: As soon as Franco enters Barcelona we'll put a second Munich coup.

Mussolini: Without wasting a minute, Adolf.

Hitler: And here's how you do it—you mass 500 planes behind the Pyrenees, 500 seaplanes and 30 submarines in the Balearics, 500 seaplanes in Spanish Morocco. After that you tell Daladier you want Djibouti.

Mussolini, breaking in:—and Tunisia?

Hitler, apparently irritated: No, I've told you a hundred times that you must go slowly at the beginning. It's the principle of the thing that counts.

Mussolini: O. K. Adolf. But let's look at the dark side. If war breaks out, are we going to be all right?

Hitler, confidently: My dear Benito, if war starts we would be a thousand times better off than at Munich. I wouldn't have anybody in my rear because I've just made a deal with Beck (Polish Foreign Minister). My food supplies toward the East would be assured because I've got Czecho-Slovakia under lock and key. I wouldn't be afraid of Russian airplanes from Czech airfields. And on top of all, you would have a handful of trumps against France from Spain.

Mussolini: How careful you are, Adolf.

Hitler: But we must go easy.
Mussolini: I'll follow your instructions to the letter Adolf.
They hang up.

Moscow Paper Hails Roosevelt As Fascists' Foe

**Only Bourgeois Statesman
Aware of Threat and Not
Afraid to Speak, It Says**

MOSCOW, Jan. 17 (A. P.).—"Le Journal de Moscou," a French language publication, which frequently speaks the mind of the Soviet Foreign Affairs Commissariat, said today that President Roosevelt was "the only statesman in the bourgeois world" aware of Fascism's threat and courageous enough to express himself.

"Le Journal de Moscou" editorially sought to appraise the results of the Rome conversations of Prime Minister Neville Chamberlain and Premier Benito Mussolini, and predicted Fascist agitation soon for concessions at the expense of British and French positions in the Mediterranean.

The newspaper argued that "there is every ground to suppose that this time their (the Fascists) labor will not be easy." It said: "They will undoubtedly encounter great difficulties and the active resistance of adherents of real and stable universal peace."

"These elements recently found encouragement and support in Roosevelt's message to Congress, which resounded like an appeal in the whole world. It is not the first time that Roosevelt has proved his clear understanding and brilliant appraisal of the real essence of Fascism and its manifestations in international relations."

"One may say that Roosevelt is the only statesman in the bourgeois world who not only realizes the danger of aggressive Fascism for all peoples, for the entire modern civilization and for the fate of humanity, but who at the same time has the courage openly to express his thought."

"One must expect that in the nearest future the Italian press, supported by the German press, will resume its noise," the paper added. "It will report to the entire world real or imaginary movements of Italian troops, navy and aviation. Signor Mussolini will deliver a threatening speech, echoed by Chancellor Adolf Hitler in the Reichstag on Jan. 30."

"Pre-war panic will seize France and Great Britain, all forces serving world Fascism will be mobilized, all sincere or pretended defeatists and scaremongers will be put to work proving that even temporary peace is worth certain, even serious, concessions, and no longer at the expense of Czecho-Slovakia or even Spain, but at the expense of French and British Mediterranean positions."

(IN HIS JAN. 4 MESSAGE TO CONGRESS PRESIDENT ROOSEVELT DECLARED "STORMS FROM ABROAD DIRECTLY CHALLENGE THREE INSTITUTIONS INDISPENSABLE TO AMERICANS, NOW AS ALWAYS. THE FIRST IS RELIGION. IT IS THE SOURCE OF THE OTHER TWO—DEMOCRACY AND INTERNATIONAL GOOD FAITH.")

LE JOURNAL DE MOSCOU SAID "EVIDENTLY THIS DANGER WILL NOT BE AVERTED BY MESSAGES AND APPEALS ALONE" AND ASSESSED COLLECTIVE SECURITY MUST BE ORGANIZED.

THE EDITORIAL ASKED IF THE FRENCH AND BRITISH GOVERNMENTS WOULD "FINALLY REALIZE THE SIMPLE TRUTH THAT AGGRESSION IS INDIVISIBLE."

"WILL THEY REALIZE THAT A BLOW DEALT TO ONE AGGRESSOR WOULD IMMEDIATELY PRODUCE A SALUTARY EFFECT ON THE POSITION OF OTHER AGGRESSORS?"

"WILL THEY RECALL THE EXISTENCE OF SUCH AN IMPORTANT FACTOR IN PEACE AS THE U.S.S.R. (UNION OF SOVIET SOCIALIST REPUBLICS) WHOSE ATTITUDE ON THE CHINESE, SPANISH AND OTHER PROBLEMS IS SUFFICIENTLY CLEAR AND KNOWN NOT TO BE PROCLAIMED AGAIN AT GENEVA?"

"WILL THEY RECALL ROOSEVELT'S MESSAGE IN WHICH HE REITERATED HIS READINESS TO COOPERATE IN THE CAUSE OF PEACE AND AGAIN PUTS FORWARD HIS PROPOSAL TO EXAMINE WITH OTHER COUNTRIES MEANS TO PUT AN END TO AGGRESSION?"

"ON THE ANSWER TO THESE QUESTIONS DEPENDS TO A GREAT EXTENT THE TURN WHICH THE WORLD TREAGEDY PERPETRATED BY FASCISM MAY TAKE."

ED529PES

LE JOURNAL DE MOSCOU SAID THERE WAS GROUND FOR BELIEF THAT FRENCH-ITALIAN FRICTION WAS DISCUSSED WHEN CHAMBERLAIN VISITED ROME BUT THAT MUSSOLINI KNEW THAT THE TIME WAS NOT RIPE FOR SATISFACTION OF HIS MAXIMUM DEMANDS.

THE NEWSPAPER CONTENDED MUSSOLINI INTENDED TO "CONSOLIDATE HIS POSITION BY CONCLUSION OF A JAPANESE-GERMAN-ITALIAN ALLIANCE" BUT DARED NOT DO SO LEST IT INTERFERE WITH CHAMBERLAIN'S VISIT.

"ROOSEVELT TO YESTERDAY'S DREAMS AND SUBTLE SCHEMES TO SET HITLER ON THE CHASE FOR THE UKRAINIAN MIRAGE, TO PUSH HIM INTO THE EASTERN MOUSETRAP, WEAKEN HIM AND THUS BUY SEVERAL YEARS OF PEACE."

"THEY WILL FORGET ALL THIS IN ORDER TO RECOMMEND NEW CONCESSIONS AND THIS TIME AT THE EXPENSE OF COLONIAL POSSESSIONS OF FRANCE HERSELF AND THE DIRECT INTERESTS OF GREAT BRITAIN AND FRANCE IN THE MEDITERRANEAN."

ED550PES

JAN 18 1939

WASHINGTON, JAN. 17 (AP)—JAN MASARYK, SON OF THE LATE
FOUNDER-PRESIDENT OF CZECHOSLOVAKIA, TOLD THE WOMAN'S NATIONAL
PRESS CLUB TODAY THAT EUROPE DEPENDED UPON THE SPIRITUAL LEADERSHIP
OF AMERICA.

"AND I PRAY TO GOD THAT YOU WILL NOT FAIL US," HE ADDED.

HY912PES

Paris to Keep Hands Off Spain

Cabinet Decides to Back Britain's Plan of Non-intervention in Civil War.

PARIS, Jan. 18 (A. P.).—The French Cabinet was
authoritatively reported today to have decided to stake its
life in the Chamber of Deputies on a combined policy of
non-intervention in the Spanish civil war and "vigilant
defense" of French interests.

In informed political quarters it
was said that the Ministers, meet-
ing with President Lebrun, had
chosen this course in the contro-
versy raging over Leftist demands
for French aid to Loyalist Spain to
prevent the adverse results of an
Italian-supported victory for the
insurgents.

Foreign Minister Bonnet was re-
ported to have insisted, before the
Cabinet, on maintaining neutrality
in Spain and keeping the Pyrenees
closed to help for the sorely pressed
Loyalists. This, he was said to have
insisted, was necessary to hold
Great Britain's support for France
in other European problems.

To Demand Confidence Vote

Political informants said that the
Government probably would de-
mand a vote of confidence on its
new policy when the Chamber fin-
ishes its current debate on foreign
affairs, probably Friday night.

The Cabinet debated the Spanish
crisis for two and a half hours to-
day, but announced no decision.

Foreign Minister Georges Bon-
net, who held the floor throughout,
was understood to have maintained
that France must keep in the good
graces of Great Britain by adhering
closely to the policy of noninterven-
tion.

The campaign continued in Par-
liament and the press, however, for
aid to Barcelona to counteract
Italian support for Insurgent Gen-
eralissimo Francisco Franco. One
section of the Cabinet itself was
understood to be swinging around
to this view.

Labor Takes a Hand.

The executive committee of the
General Confederation of Labor,

representing French labor, voted to
join the Socialists and communists
in trying to get the Government to
send military help to the Spanish
republic. Confederation officials
were instructed to "take all meas-
ures or join any movement to ob-
tain effective and immediate assist-
ance for republican Spain."

The customary mention of unani-
mous approval by the Ministers for
policies presented was omitted from
a communique issued after the Cab-
inet met in the Elysee Palace, Pres-
ident Albert Lebrun's residence.

A clarification was expected to
come with the renewal tomorrow of
debate on foreign policies in the
Chamber of Deputies.

The Government, meanwhile, or-
dered an air raid defense trial in
Paris tonight, with 2,000 civilian
defense volunteers to be "evacu-
ated" from the capital by train.
The chemical corps was scheduled
to test its equipment against gas
and incendiary bombs.

Labor's Move Important.

The action of the Confederation
of Labor was taken despite an in-
formal statement by Foreign Min-
ister Bonnet in parliamentary cor-
ridors that France would follow
the lead of the British, who oppose
direct intervention in the Spanish
civil war.

Regardless of the apparent inten-
tion of the Government to stay
clear of the war, the labor move-
ment was regarded as an important
one, although the confederation
was said to have lost thousands
from its 5,000,000 membership roll
after the failure of the general
strike of November 30.

The Communist party, supported
by many workers and its news-

paper L'Humanite, carried on a
campaign to "open the frontier im-
mediately so that the Republican
government of Spain will not be de-
prived of means to assure its de-
fense."

Former Premier Leon Blum, So-
cialist leader, declared in his Le
Populaire that one should view
skeptically any reports that Pre-
mier Mussolini would withdraw his
Italian legionnaires after an in-
surgent victory.

"The truth is that noninterven-
tion agreements have been, are be-
ing, and will be violated by Musso-
lini," M. Blum wrote.

Le Matin, friendly to the Gov-
ernment, said French intervention
now merely would "prolong the
civil war and possibly stir up a
foreign war."

Britain Is Adamant.

LONDON, Jan. 18 (A. P.).—The
Cabinet was reported authoritatively
today to have reaffirmed Bri-
tain's decision to refuse to sell war
material to the sorely pressed
Spanish Government.

Mr. Attlee had written to Mr.
Chamberlain:

"It is obvious that the policy of
nonintervention has now become
the means of insuring that the
Spanish Government shall be un-
able to provide for its defense
against aggression by a foreign
Power."

While the British policy is not to
sell arms applies to both sides in
Spain, it is generally acknowledged
that it does not hamper the in-
surgents, who get material, as well
as men, from Italy and Germany.

While the Cabinet was meeting
Harry Pollitt, a Communist Party
leader, arrived at 10 Downing street
with a letter which asked Mr.
Chamberlain if he would "dare ad-
mit" that Chancellor "Hitler had
recently threatened France with
war if she protected herself by al-
lowing the Spanish Government its
legal international rights."

Mr. Chamberlain, in a session of
two hours and twenty minutes, out-
lined to the Cabinet his talks with
Premier Mussolini last week in
Rome, and Viscount Halifax told of
his Geneva meeting with Mr. Bon-
net, who was said to have described
French fears that an insurgent vic-
tory would seriously threaten vital
French interests.

Mussolini's Pledge Cited.

It was reported that the Cabinet
decided to maintain the non-interven-
tion policy after Mr. Chamber-
lain had told of Premier Musso-
lini's pledges that he would stake

all his troops out of Spain when the
civil war was ended and maintain
the status quo in the Mediterra-
nean.

It was understood that the Minis-
ters also discussed the possibility
of holding an early general election.
Differences in the Labor party over
the desirability of forming a popu-
lar front with the Liberals were
said to have made some Conserva-
tives—members of the Prime Minis-
ter's party—favor an early election.

Earl Baldwin, Mr. Chamberlain's
predecessor as Prime Minister, ar-
rived at 10 Downing street im-
mediately after the Cabinet meeting.
It was thought he discussed elec-
tion possibilities and the European
refugee question with Chamberlain.

Chamberlain Stands Firm.

LONDON, Jan. 18 (A. P.).—
Prime Minister Chamberlain re-
fused today to modify Great Bri-
tain's policy of non-intervention in
the Spanish civil war and to give
direct aid to the Spanish Govern-
ment.

He also rejected an international
plan for feeding Spanish civilians—
an idea on which the United
States has been consulted—but said
that Great Britain would assist un-
official organizations working for
the same end.

Replying to the request of Clem-
ent R. Attlee, Labor opposition
leader, that Parliament be sum-
moned to discuss aid for the Span-
ish Loyalists, the Prime Minister
declined to take any action which
would change Great Britain's hands
off policy.

France Votes Hands Off Policy Toward Spain

Paris, Jan. 18 (AP)—The French Gov-
ernment bowed today to British pres-
sure by agreeing to keep the Spanish
frontier closed to aid for the hard-
pressed defenders of Barcelona but
determined on a "vigilant defense" of
French interests.

Premier Edouard Daladier's Cabinet
was said by informed political sources
to have decided to stake its life on a
continued hands-off-Spain policy rather
than risk Britain's wrath and possible
loss of her support.

Bonnet Sounds Warning

Foreign Minister Georges Bonnet
was reported to have declared Brit-
ain's friendship would cool if France
allowed arms to cross the border to
Barcelona armies.

The decision on policy was taken

at a long Cabinet meeting despite a
growing fear that victory for Gen-
eralissimo Franco would give Italy,
which is aiding him, a firm foothold on
France's southern frontier.

After the close of foreign affairs de-

bate which starts again tomorrow in
the French Chamber of Deputies, Pre-
mier Daladier planned to demand a
vote of confidence on his Spanish pol-
icy—in the face of heavy Communist,
Socialist and some center opposition.

The Cabinet's decision, which some
sources described as "reluctant," came
after Bonnet described his recent con-
versations at Geneva with the British
Foreign Secretary, Viscount Halifax.
Bonnet made it clear yesterday that
France would dutifully follow Britain's
wishes.

Premier's Close Watch

A phrase promising close watch over
French interests, including Mediter-
anean communications between France
and her African empire, would be in-
serted in a Government resolution in
the Chamber as a sop to critics of the
non-intervention policy.

The French Atlantic and Mediter-
anean fleets, supplied on a war foot-
ing, left their Brest and Toulon
bases today for lengthy combined
maneuvers which will coincide with
the regular spring cruise of the British
home fleet.

The French fleets will maneuver off
Africa's northwestern coast, while the
British will cruise the Mediterranean.

THE BRITISH CABINET, CLINGING TO THE OLD POLICY OF NONINTERVENTION

PARIS, JAN. 18—THE BRITISH CABINET, CLINGING TO THE OLD POLICY OF NONINTERVENTION

RESPECTS THE GRAVITY OF BARCELONA'S PLIGHT, REJECTED A LABOR REQUEST FOR

IMMEDIATE RECALL OF THE HOUSE OF COMMONS TO DISCUSS THE SPANISH

SITUATION.

CLEMENT R. ATTLEE, LEADER OF THE LABOR OPPOSITION, WHO MADE THE

REQUEST, HAD WRITTEN TO PRIME MINISTER CHAMBERLAIN:

"IT IS OBVIOUS THAT THE POLICY OF NONINTERVENTION HAS NOW BECOME THE

MEANS OF INSURING THAT THE SPANISH GOVERNMENT SHALL BE UNABLE TO PROVIDE

FOR ITS DEFENSE AGAINST AGGRESSION OF A FOREIGN POWER."

BRITISH OPPOSITION TO REOPENING OF THE FRENCH FRONTIER IN

COMPLIANCE WITH FRENCH LEFTIST DEMANDS WAS REPORTED HERE TO BE BASED

ON CHAMBERLAIN'S FEAR THAT THE SPANISH CIVIL WAR WOULD BECOME A WORLD WAR ON THE BASIS OF ITALIAN AND GERMAN ANGER AT ANY SUCH ACTION BY FRANCE.

Roman Journalist Challenges Paris Editor To Fight A Duel

Frenchman's Taunt About Italian Sailors' Lack Of Courage Brings Violent Reply

Rome, Jan. 18—A Rome editor today challenged a Paris editor to a duel as Italy's newspapers continued their anti-French campaign in undiminished violence of language.

Il Piccolo's director, Antonio Corrado Limongi, telegraphed the challenge to the director of Paris-Midi which published a statement that Italian sailors were afraid to get out of sight of their own shores.

"Every Italian would know how to make you swallow the atrocious in-

sult to our glorious navy. I would know how to do it with a gun if you had the courage to meet a challenge and establish the procedure," Limongi telegraphed.

He suggested a duel take place across the French-Italian frontier.

Il Piccolo's headline on the story said, "the Italian people reacts with pride against the base insults of the poisonous enemy beyond the Alps."

Several papers printed accounts declaring France's navy played an insignificant role in the World War.

A SMALL DEPUTATION LATER WAS RECEIVED AT THE FOREIGN OFFICE.

POLICE REINFORCEMENTS ALSO WERE SENT TO PICCADILLY, WHERE BRITISH FASCISTS DEMONSTRATED AT THE PREMIERE OF A FILM PART OF THE PROCEEDS OF WHICH WERE TO GO TO THE LORD BALDWIN FUND FOR JEWISH REFUGEES FROM GERMANY.

EACH ARRIVAL AT THE THEATER WAS HANDED A PAMPHLET STRESSING THE RIGHT OF THE BRITISH UNEMPLOYED.

REPLYING TO A REQUEST FROM CLEMENT R. ATTLEE, LEADER OF THE LABOUR OPPOSITION, THAT PARLIAMENT BE SUMMONED AT ONCE TO DISCUSS AID FOR SPAIN, THE PRIME MINISTER WROTE:

"I HAVE GIVEN CAREFUL CONSIDERATION TO YOUR REQUEST WHICH IS LONDON, JAN. 18—(AP)—PRIME MINISTER CHAMBERLAIN

REFUSED TODAY TO ALTER THE BRITISH POLICY OF NONINTERVENTION IN SPAIN AND REJECTED AN INTERNATIONAL PLAN FOR FEEDING SPANISH CIVILIANS.

HE DECLARED, HOWEVER, THAT BRITAIN WOULD CONTINUE TO ASSIST UNOFFICIAL ORGANIZATIONS FOR RELIEF OF SPANISH CIVILIANS. CHAMBERLAIN SAID OTHER GOVERNMENTS, "PARTICULARLY" THE UNITED STATES, HAD BEEN CONSULTED ON THE INTERNATIONAL RELIEF PLAN.

MOUNTED POLICE WITH BATONS REPULSED A CROWD OF SEVERAL HUNDRED PERSONS SAID TO BE COMMUNISTS WHEN THEY TRIED TO BREAK THROUGH POLICE CORDONS GUARDING NO. 10 DOWNING STREET, RESIDENCE OF THE PRIME MINISTER. THEY CARRIED PLACARDS DEMANDING "ARMS FOR SPAIN."

APPARENTLY BASED ON YOUR VIEW THAT THE TIME HAS COME WHEN THE POLICY OF NONINTERVENTION SHOULD BE REVERSED AND ALL EMBARGO ON THE SUPPLY OF ARMS AND AMMUNITION TO THE SPANISH GOVERNMENT REMOVED.

"IN THE OPINION OF HIS MAJESTY'S GOVERNMENT SUCH A COURSE WOULD

INEVITABLY LEAD TO AN EXTENSION OF THE CONFLICT WITH CONSEQUENCES WHICH CANNOT BE ACCURATELY FORESEEN BUT WHICH UNDOUBTEDLY WOULD BE VERY GRAVE.

"HIS MAJESTY'S GOVERNMENT ARE NOT, AS AT PRESENT ADVISED, PREPARED TO ADOPT SUCH A COURSE AND IN THESE CIRCUMSTANCES THEY SEE NO ADVANTAGE IN ANTICIPATING THE DATE ON WHICH PARLIAMENT IS DUE TO MEET IN LESS THAN A FORTNIGHT.

"AS REGARDS THE QUESTION OF THE DANGER OF FAMINE IN REPUBLICAN SPAIN THE GOVERNMENT HAVE RECENTLY BEEN IN CONSULTATION WITH OTHER GOVERNMENTS, AND PARTICULARLY THE GOVERNMENT OF THE UNITED STATES, WITH A

VIEW TO THE POSSIBILITY OF CONCERTING INTERNATIONAL HELP ON THE LARGE SCALE CONTEMPLATED BY THE SPANISH GOVERNMENT AND SET OUT IN A REPORT PREPARED BY SIR DENYS BRAY AND MR. WEBSTER."

JAN 19 1939

(SIR DENYS DE SAUMAREZ BRAY AND LAWRENCE WEBSTER IN A REPORT AUTHORIZED BY THE LEAGUE OF NATIONS IN NOVEMBER DECLARED GOVERNMENT SPAIN'S POPULATION WAS SUFFERING FROM AN ACUTE FOOD SHORTAGE. THEY ASKED FOR THE APPOINTMENT OF A RELIEF COMMISSIONER WHO WOULD COLLECT SURPLUS FOOD FROM ALL NATIONS FOR DISTRIBUTION AMONG REFUGEES AND POOR PERSONS.)

"AS A RESULT IT SEEMS CLEAR THERE IS AT PRESENT NO CHANCE OF THE SCHEME BEING ORGANIZED ON THIS BASIS AND SUCH A SCHEME WOULD IN ANY CASE TAKE A VERY LONG TIME TO ORGANIZE EFFECTIVELY," CHAMBERLAIN'S LETTER CONTINUED.

"WE HAVE, HOWEVER, ALREADY JOINED WITH OTHER GOVERNMENTS IN HELPING TO FINANCE THE WORK OF UNOFFICIAL ORGANIZATIONS ALREADY IN THE FIELD AND WE PROPOSE TO CONTINUE THIS POLICY."

JAN 19 1939

"THE GOVERNMENT WILL CONTINUE TO WATCH THE SITUATION IN SPAIN AS IT DEVELOPS AND IF IN THEIR VIEW THE CIRCUMSTANCES SHOULD DEMAND ALTERATION IN THE DATE THEY WILL NOT HESITATE TO RECOMMEND TO MR. SPEAKER TO CALL THE HOUSE TOGETHER AT SHORT NOTICE."

CHICAGO, JAN. 18-(AP)-

JAN GARRIGUE MASARYK, SON OF THE FOUNDER OF THE CZECHOSLOVAKIAN REPUBLIC, SAID TODAY THE MUNICH PACT JOLTED BUT FAILED TO CRUSH THE SPIRIT OF HIS PEOPLE.

MASARYK, WHO RESIGNED AS CZECH AMBASSADOR TO GREAT BRITAIN AFTER THE "PEACE OF MUNICH," ARRIVED HERE TODAY FOR A THREE DAY VISIT TO FURTHER THE CAUSE OF CZECH DEMOCRACY.

IN AN INTERVIEW MASARYK SAID HE CAME AS A PRIVATE CITIZEN, AND IN

30.24-1239

30.24-1239

THAT CAPACITY WAS STATING THE CASE OF CZECHOSLOVAKIA AND THE JEWISH PEOPLE.

JAN 19 1939

"THE PROBLEMS AFFECTING CZECHO-SLOVAKIA ARE BY NO MEANS SETTLED, FOR THEY HAVE NOT BEEN SETTLED RIGHT," HE SAID. "OUR NATION WILL CARRY ON AND WILL WORK OUT ITS FUTURE FOR THE BENEFIT OF ALL THE NATIONS."

"CZECHO-SLOVAK PEOPLE LOVE FREEDOM. THEY ARE NOT CRUSHED IN SPIRIT THOUGH THE JOLT WAS A SEVERE ONE."

230ACS NM

(ADVANCE FOR RELEASE AFTER 9 P.M. EST TONIGHT, JAN. 18)

(ADVANCE) CINCINNATI, JAN. 18-(AP)-SEN. WILLIAM H. KING (D-UTAH)

JOINED CRITICS OF THE GERMAN GOVERNMENT TONIGHT, DESCRIBING THE NAZI PHILOSOPHY AS "AN ATTACK ON THE MORAL AND SPIRITUAL FOUNDATIONS OF RELIGION."

JAN 19 1939

30.24

SENATOR KING TOLD THE BANQUET OF THE 36TH BIENNIAL COUNCIL OF THE UNION OF AMERICAN HEBREW CONGREGATIONS IN AN ADDRESS PREPARED FOR BROADCAST THAT REICHSFUHRER HITLER WAS SEEKING TO REVIVE PAGANISM AND TO "FASTEN ON THE GERMAN PEOPLE THE PHILOSOPHY OF NIETZSCHE, TO ERADICATE MORAL PRINCIPLES FROM THE GERMAN PEOPLE".

HE WARNED THE MEETING, INCLUDING BROTHERHOODS AND SISTERHOODS OF TEMPLE FEDERATIONS, THAT ANTI-SEMITISM WAS SPREADING THROUGH EUROPE.

"IN POLAND, RUMANIA, AND OTHER EUROPEAN COUNTRIES," HE SAID, "THE FIRES OF PERSECUTION HAVE BEEN LIGHTED. IF THIS IS NOT ARRESTED, IT WILL RESULT IN SUCH MERCILESS ATTACKS AS WILL CAUSE THE DEATHS OF LARGE NUMBERS OF JEWS."

"THIS ATTACK ON THE MORAL AND SPIRITUAL FOUNDATIONS OF RELIGION IS ALSO SPREADING TO CATHOLICS AND OTHER MINORITY GROUPS."

KING, A MEMBER OF THE SENATE IMMIGRATION COMMITTEE, SAID BEFORE THE BANQUET THAT NO FORMAL DISCUSSION HAD STARTED YET ON THE REFUGEE PROBLEM.

Count Ciano Confers With Yugoslav Premier

BELGRADE, Yugoslavia, Jan. 19 (A. P.).—Conversations expected to advance Italy's influence in the Balkans were started today between Italian Foreign Minister Count Galeazzo Ciano and Premier Milan Stoyadinovitch at Belje, near the Hungarian border.

They met on a deer hunt on an old Hapsburg estate. Observers agreed that they would try to promote co-operation between Yugoslavia and Hungary and attempt to reduce friction between Hungary and Rumania.

In some quarters there were reports that Yugoslavia might follow Hungary into the anti-comintern pact with Germany, Italy and Japan.

Hungary's Yugoslav Pact Seen

BELGRADE, Yugoslavia, Jan. 19 (A. P.).—A journey by Foreign Minister Stefan Csaky of Hungary to Belgrade soon, to sign a Yugoslav-Hungarian declaration of friendship, was predicted today after the first talks between Count Galeazzo Ciano of Italy and Premier Milan Stoyadinovitch.

There was no official disclosure of the subjects discussed between hunting trips by the Italian Foreign Minister and the Yugoslav Premier. But advisors surrounding them were all experts in Danube affairs, and Count Ciano himself said on his arrival that there were no urgent problems to be discussed in Italian-Yugoslav relations.

With everything thus indicating the talks were concerned with broad Balkan issues, Belgrade newspapers said Ciano's visit would have results as important as those of his first journey to Yugoslavia two years ago, when an Italian-Yugoslav friendship accord was reached. Now it was expected Italy would seek to extend her influence through the Balkans

by bringing Hungary, Yugoslavia and Rumania into harmony with one another and the Rome-Berlin axis.

The principal difficulties among the three Balkan countries are the insistent demands of Hungary for return of territory lost in the World War.

Bonnet's Stand Attacked

PARIS, Jan. 19 (A. P.).—Members of the Chamber of Deputies sympathetic to Loyalist Spain shouted today—mostly for the ears of Foreign Minister Georges Bonnet—that France must rush to the defense of Barcelona.

M. Bonnet himself sat for hours in the Chamber listening, apparently unmoved, to attacks on his "no-arms-for-Spain" policy.

His position was that, without Britain, France could not risk the international explosion that might be brought on by opening the border with Spain to shipment of war material. The British Government is against opening the border. M. Bonnet's office denied Spanish insurgent charges that aid already was being sent to Loyalist Spain despite France's non-intervention policy.

500 Czechs Expelled

From Teschen Area

Accused Of Attacking Poles In Border Area Twice Within Two Days

Teschen, Poland, Jan. 20 (A. P.).—Polish authorities today expelled 500 Czechoslovaks from the Teschen area, following an outbreak of border incidents.

The Czechoslovaks were accused of attacking Poles along the border last Wednesday and again early today.

day. Formerly a part of Czecho-Slovakia, Teschen was ceded to Poland as an aftermath of the Munich settlement.

Germany Sends Note On Submarines to London

LONDON, Jan. 20 (A. P.).—A German note explaining the Reich's recently announced decision to double her strength in submarines was delivered to the British Government today but the contents were not disclosed.

AIR RAID PROTECTION AND THE MINISTER FOR MILITARY AIRPLANE PRODUCTION." LLOYD GEORGE SAID CHAMBERLAIN HAD ACQUIESCED IN A ONE-SIDED BREACH OF THE SPANISH NON-INTERVENTION AGREEMENT BY ITALY AND GERMANY.

"A SEMI-OFFICIAL WARNING HAS BEEN ISSUED FROM BERLIN THAT GERMANY AND ITALY CANNOT PERMIT ANY WAR MATERIAL TO BE SENT TO THE REPUBLICANS WHICH WOULD DISTURB THE PREPONDERANT BALANCE THE TOTALITARIAN STATES HAVE ESTABLISHED ON BE OF THE SPANISH FASCISTS."

FD/EC53PT

It was indicated a communique would be issued shortly dealing with the Anglo-German naval negotiations, which led to Germany's disclosure December 30 that she intended to invoke certain reservations in treaties with England permitting her to expand her submarine fleet and build additional heavy cruisers.

LLANDUDNO, WALES, JAN 19-(AP)—DAVID LLOYD GEORGE, TODAY SAID PRIME MINISTER CHAMBERLAIN WAS FORCED TO SPEED REARMAMENT UPON HIS RETURN FROM ROME JUST AS HE HAD BEEN COMPELLED TO INCREASE PREPAREDNESS BY THE MUNICH CONFERENCE.

"THE TRUEST AND GRIMMEST COMMENTS ON THE RESULTS OF MR. CHAMBERLAIN'S VISITS ARE TO BE FOUND IN TWO SEQUELS," THE WORLD WAR PRIME MINISTER TOLD AN AUDIENCE HERE.

"ONE IS THAT WHICH IMMEDIATELY FOLLOWED HIS MUNICH ACHIEVEMENT WHEN, AFTER ANNOUNCING HE HAD BROUGHT BACK PEACE IN OUR LIFETIME, HE CREATED A NEW MINISTRY TO TAKE PROMPT MEASURES FOR PROTECTING OUR CITIES AGAINST AIR RAIDS FROM GERMANY.

"THE OTHER IS THAT WHEN HE RETURNED FROM ROME THE FIRST TWO COLLEAGUES HE SUMMONED FOR CONSULTATION WERE THE NEW MINISTER FOR

Adm. London - Jan. 20
BRITISH NAVAL CIRCLES NEVERTHELESS EXPRESSED SURPRISE AT THE ANNOUNCEMENT THAT THE 10,000-TON CRUISER SEYDLITZ, LAUNCHED YESTERDAY AT BREMEN, WOULD CARRY 8-INCH INSTEAD OF 6-INCH GUNS.
UNDER A 1937 ANGLO-GERMAN AGREEMENT SUPPLEMENTING THE 1935 NAVAL TREATY GERMANY AGREED NOT TO BUILD MORE THAN THREE 8-INCH-GUN CRUISER UNLESS SOVIET RUSSIA EXCEEDED A CERTAIN STRENGTH AND RESERVED THE RIGHT IN SUCH CASE TO BUILD TWO MORE.
IN THE DECEMBER NAVAL TALKS GERMANY ASKED APPROVAL FOR CONSTRUCTION

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OF THE TWO ADDITIONAL HEAVY CRUISERS AND BRITAIN ASSENTED. FROM THE FACT THAT THE SEYDLITZ, WITH 8-INCH-GUN EQUIPMENT, WAS LAUNCHED LESS THAN A MONTH LATER IT WAS DEDUCED THAT GERMANY PLANNED TO USE THE LARGE GUNS BEFORE SHE ADVISED BRITAIN OF THIS INTENTION.

THE SEYDLITZ IS THE FOURTH OF A NEW HEAVY CRUISER CLASS, EARLIER ONES BEING THE ADMIRAL HIPPER, BLEUCHER AND PRINCE EUGEN. (JANE'S, AUTHORITATIVE NAVAL ANNUAL, SAYS A FIFTH IS UNDER CONSTRUCTION.)

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OFFICIAL CZECH VISIT

Foreign Minister in Berlin Seen as Harmony Move.

BERLIN, Jan. 21 (A. P.).—Foreign Minister Frantisek Chvalkovsky of Czechoslovakia arrived today for talks with Foreign Minister Joachim von Ribbentrop. His visit was interpreted in diplomatic circles as another step toward bringing Czechoslovakia's foreign policy in line with the Rome-Berlin axis.

Nazi-Czech Ties Are Tightened In Berlin Talk

Minority Rights, Prague's Russian Pact Topic of Hitler and Chvalkovsky

BERLIN, Jan. 21 (A. P.).—Czechoslovakia was drawn closer to Germany today in conversations the Czechoslovak Foreign Minister, Frantisek Chvalkovsky, had with Chancellor Adolf Hitler and the German Foreign Minister, Joachim von Ribbentrop.

The rights of the German minority in Czechoslovakia, the formal breaking of the Czech-Soviet Russian alliance and eventual guaranty by Germany and Italy of Czechoslovakia's new frontiers were understood to have been discussed. Nazi annoyance over what the press here has described as efforts in Czechoslovakia to prevent 377,000 Germans living there from "living as National Socialist Nazis" was said to have been a principal topic.

The Germans demand "complete and unhindered political freedom,"

the right to maintain brownshirt and blackshirt Nazi organizations and elimination of Jews from positions of contact with Germans.

Although the Czech-Russian alliance was nullified upon the partitioning of Czechoslovakia last fall, the Nazis are understood to be desirous of having Czechoslovakia denounce it formally, and then, as soon as possible, join the anti-Communist pact.

Chvalkovsky was said to have asked Ribbentrop how soon Germany would carry out its pledge to guarantee Czechoslovakia's frontiers. While the conversations were going on here, Czechoslovakia and Hungary reached an agreement to settle their frontier differences, thus making a final guaranty possible.

in and established control, Hitler told Henlein to keep right on being the local Führer. Henlein has the confidence of the Sudetens and Hitler took advantage of that fact.

It Was Not The Same After Austria Was Annexed
Hitler named him Statthalter—or Governor—and Gauleiter—or district leader—and topped those off with the much more weighty job of Reich Commissioner for integration of Sudetenland into the Reich.

These gave Henlein all the strings to pull. Only Hitler himself stands above him in his own bailiwick.

Austrian Nazis Envy Henlein His Power Under Hitler

[By the Associated Press]

Reichenberg, Germany, Jan. 21.—Konrad Henlein, the husky Sudeten organizer who paved the way for Reichsführer Hitler's march into Czechoslovakia, is the envy of Austrian Nazi leaders.

The bespectacled gym teacher from Asch remains the boss while others such as Arthur Seyss-Inquart—who played roles in Austria similar to his in Czechoslovakia—are bumping over political roads in rumble seats.

Hitler Told Him To Keep Job As Sudeten Führer

Henlein, who is good at turning handsprings, has all government, economic and party power in his two big hands. As far as Sudetenland goes, there is none other than he.

The Sudetenland Führer has been off the front pages of the world since the Munich settlement last September 29 by which Germany acquired 3,000,000 Sudetens. But under the Nazis he has much greater power than he had under Czechoslovakia. Nothing moves in this region without his authority.

As soon as the German Army moved

It was not the same after the annexation of Austria last March 13.

Seyss-Inquart, who was named Austrian Minister of Interior and Safety by Kurt Schuschnigg, last Chancellor of independent Austria, at the Führer's behest, signed the famous telegram asking Hitler to send the German Army to Austria to "prevent bloodshed."

Some Believe Reich Profited From Mistakes In Austria

In the reorganization after Anschluss Seyss-Inquart became Statthalter, an office which has small authority. Another man was named party leader and Berlin sent still another to Vienna above them both as Reich Commissioner.

Viennese say jokingly that Seyss-Inquart's reward was "presidency of the Alpine Club."

Conditions in Austria were different from those in Sudetenland and there may have been sound reasons for sending in a "stronger" and splitting power three ways.

But some informed persons believe the Nazis profited from their mistakes in setting up the Austrian regime within Germany and centered authority in Sudetenland in the local leader whom the people knew and trusted.

Danzig Demand Softened

DANZIG, Jan. 21 (A. P.).—The "Danziger Vorposten," official Nazi organ, suddenly moderated today its outspoken stand for return of the Free City of Danzig to Germany. In an editorial taking a different tack from the usual official statements and editorial expressions on the free city's status, it declared:

"If Poland exploits Danzig's economic possibilities and builds Danzig completely into the German-Polish economic relationships, and if Danzig is able to fulfill its normal function as a link between Germany and Poland, there no longer is a Danzig question which requires urgent revision."

One of the complaints in the free city has been that Polish authorities have been favoring the near-by Polish-built harbor of Gdynia.

It was reported that German Foreign Minister Joachim von Ribbentrop may discuss the question of intensifying the free city's economic co-operation with both Germany and Poland when he goes to Warsaw on Wednesday.

Nazis have nursed Danzig, established by the Treaty of Versailles under the protection of the League of Nations to give Poland a seaport, to the point where the free city is as much a part of Nazidom today as any district actually within Germany's boundaries.

As a result the German press and political quarters have been free with predictions that the return of the district to the fatherland is imminent. Many responsible observers in Berlin have expressed the belief that it could be incorporated in Germany before Chancellor Adolf Hitler's fiftieth birthday on April 20.

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FORSTER SAID IN EMPHASIZING HOW DANZIG'S INNER POLITICAL LIFE HAD BEEN COORDINATED WITH NAZI GERMANY'S AND HOW "SOLIDARITY" HAD BEEN DEVELOPED AMONG GERMANS LIVING IN THE FREE CITY WHOSE POPULATION IS 95 PER CENT GERMAN.

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TAKING ORDERS FROM BERLIN, DANZIG UNDER THE GUIDING HAND OF FORSTER HAS BUILT ITSELF INWARDLY AFTER THE PATTERN OF NAZI GERMANY—A DEVELOPMENT WHICH NAZIS SAY WAS NATURAL BECAUSE DANZIGERS NEVER WANTED SEPARATION FROM THE FATHERLAND.

NAZI QUARTERS, TO INDICATE HOW CLOSELY DANZIG ALREADY HAS BOUND ITSELF WITH GERMANY, HAVE SUGGESTED BLUNTLY THAT THE

ALBERT FORSTER, DANZIG DISTRICT LEADER, MADE CLEAR IN HIS NEW YEAR'S MESSAGE THAT ONLY A NOD FROM HITLER WAS NEEDED TO JOIN THE DISTRICT'S 754 SQUARE MILES OF GERMANY.

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"WE WILL TRUST IN THE FÜHRER AND HOPE FOR THE BEST."

LEAGUE OF NATIONS STEP OUT OF THE PICTURE.

DR. KARL BURCKHARDT IS THE LEAGUE'S PRESENT HIGH COMMISSIONER

FOR THE FREE CITY.

JAN 22 1939

BALTIMORE, JAN 21-(AP)—JAN MASARYK, FORMER CZECHOSLOVAKIAN MINISTER TO GREAT BRITAIN, AND SON OF THE REPUBLIC'S FOUNDER PROPOSED TO NATIONAL JEWISH LEADERS TONIGHT THAT "THE GENIUS OF AMERICAN ADVERTISING" BE USED TO SELL DEMOCRACY TO THE AMERICAN PEOPLE TO COUNTERACT PROPAGANDA OF THE DICTATOR NATIONS.

30.24

HE SPOKE BEFORE THE SIXTH ANNUAL ASSEMBLY OF THE COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, CONVENED HERE FOR A THREE-DAY MEETING.

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MASARYK ASSERTED THAT TOTALITARIAN STATES' PROPAGANDA METHODS HAD "PUT IT ALL OVER" THE DEMOCRACIES.

"IF AMERICANS WILL SELL DEMOCRACY AS THEY DO CIGARETTES, ELECTRIC RAZORS AND BREAKFAST FOODS, THEY WILL BE ABLE TO SAVE THEMSELVES FROM THE SLAVERY TO WHICH MUCH OF EUROPE HAS BEEN SUBJECTED," HE SAID.

"YOU MUST TEACH YOUR CHILDREN WHAT A WONDERFUL THING IT IS TO HAVE A FREE SOUL. YOU TAX-PAYING AMERICANS WORRY WHEN THE GOVERNMENT BUTTS INTO YOUR AFFAIRS, BUT YOU MUST REMEMBER THAT YOU STILL ARE FREE TO DO WHAT YOU PLEASE IN THE PRIVACY OF YOUR HOMES

"THE DEVIL IS LOOSE IN A GREAT PART OF EUROPE, AND YOU DELEGATES MUST HELP AT LEAST SEVERAL HUNDRED THOUSAND PEOPLE GET AWAY FROM THE CLUTCHES OF THE DEVIL.

"THE JEWS ARE MERELY ONE OF THE MANY THAT ARE ON THE SPOT."

IL DUCE WARNS FRANCE OVER BEING TOO FIRM

Declares Enemies Of Fascism Are Too Stupid To Be Dangerous

[By the Associated Press]

Rome, Jan. 22—Premier Benito Mussolini reiterated today that Fascism's enemies were "too stupid to be dangerous," and warned France not to stand too firmly in Italy's way.

Il Duce, addressing 150 prize-winning wheat farmers in a Rome theater, declared:

"In the memorable September of last year I said that professional adversaries of Fascism were too stupid to be dangerous. I confirm it now in the most explicit manner."

(Mussolini, in an address September 25, 1938, in Belluno, at the height of the German-Czecho-Slovak crisis over Sudetenland, taunted Fascism's adversaries "beyond the Alps" as being "too stupid to be dangerous.")

Reiterates New Deal Demand

Italy's firm insistence on a new deal from France in the Mediterranean was proclaimed at the same time by the weekly review of foreign affairs, *Relazioni Internazionali*.

The magazine said the visit of the British Prime Minister, Neville Chamberlain, January 11-14 to Rome did not change Italy's objectives "by a single centimeter."

Mussolini described as "nonsense" a rumor that the Vatican had advised the French to "stand firm" against Fascist cries for French territory and remarked:

"Stand firm is easy to say and what if in the future there is an Italian—and there will be—who tells Italians that they must stand even firmer?"

Points To Two Good Harvests

Il Duce said that foreign anti-Fascists who expected his regime to be troubled

by famine did not know Italy. He said Fascism's enemies had been dismayed by two good Italian harvests of 298,870,000 bushels of wheat.

[Associated Press Note—Italy's wheat harvests have been estimated at 292,000,000 bushels annually. Self-sufficiency in wheat has been one of the cardinal points in the Fascist autarchy program.]

Nobody could say with certainty that Italy would have a third big harvest this year, the Premier said, but he promised a fixed wheat price of about the equivalent of \$2.15 a bushel.

Belittles Foes Of Fascism

Taking a jocular attitude, Mussolini said that if he told his listeners of the "childish speculation, slanderous fantasies and ridiculous hopes of Fascism's adversaries" their laughter, "despite the Alps," would shatter the windows of "western metropolises."

"The Vatican, according to French reports, is supposed to have advised France to take a firm stand," Mussolini said. "I am absolutely convinced the story is infamous nonsense."

He called on the farmers to continue tilling the soil, "preserve the race and be ready to defend their land with arms."

Lists Nation's Aims

Relazioni Internazionali, in saying Italy's objectives had not been changed, listed the nation's aims as:

1. Insurgent victory in the Spanish civil war.
2. Fulfillment of natural aspirations of the Italian people.

The latter were left undefined, but the magazine said they called for "review and correction of the Mediterranean and African situation."

Calls French Worst Enemies

Nothing in Italian policy was aimed against Great Britain, it said, but everything was against Italy's enemies. It added that Italians recognized the French as their worst enemies.

The magazine referred to solidity of the Rome-Berlin axis with a warning that any attempt to block Italian and German ambitions would "unavoidably cause a conflict to break out."

Fascist Italy, it added, does not fear war—"long, short, localized or general."

"The hearts of the Italian people beat more than ever on the fatherland's western frontier," it said. "A simple order is enough to send them across it."

French Political Rallies

Reflect Growing Concern

Paris, Jan. 22 (AP)—Political meetings throughout France today expressed the nation's growing uneasiness at the possibility of an Insurgent victory in Spain and the establishment of Italian influence across the French-Spanish frontier.

Joseph Paul-Boncour, former Premier, permanent French delegate to the League of Nations and one of France's elder statesmen, warned:

"If Barcelona falls you will not have to wait long for an ultimatum from Italy, supported by Germany, demand-

ing from us that which we are unanimous in not wishing to give but which we are so badly prepared to defend."

At a national conference of the Communist party in Paris, Senator Marcel Cachin declared that the only way to save the Spanish Government was through joint action by Communists and Socialists.

He demanded that the Communist party ask an immediate conference with the Socialists in an effort to force the Government of Premier Edouard Daladier to reopen France's frontier with Spain to aid the defense of Barcelona.

Paul-Boncour spoke at a "meeting for peace" at Romorantin.

"For peace as well as war," he declared, "it is necessary to rush to the sector most menaced, where not only the destiny of a people is at stake but also the face of collective security, without which there is no assurance of peace."

"Yesterday the Rhineland, Austria and Czecho-Slovakia. . . Tomorrow it will be, and, in fact, already is, other states of central and eastern Europe where dictators extend, first, economic servitude and then political servitude. Today it is Spain."

BELGRADE, YUGOSLAVIA, JAN. 22-(AP)-YUGOSLAVIA MOVED CLOSER TO THE
ROME-BERLIN AXIS TODAY AS SHE PREPARED TO ACCEPT AN OFFER FROM ITALY
FOR FINANCIAL CREDITS AND ENLARGED OPPORTUNITIES FOR ABSORBING ITAL-
IAN CULTURE.

AS A RESULT A HUNGARIAN-YUGOSLAV FRIENDSHIP DECLARATION APPEARED TO
BE IN THE OFFING.

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THESE DEVELOPMENTS CAME FROM ITALIAN FOREIGN MINISTER COUNT GALEAZZO
CIANO'S CONFERENCES WITH PREMIER-FOREIGN MINISTER MILAN STOYADINOVICH
OF YUGOSLAVIA DURING A WEEK'S HUNTING TRIP WHICH ENDED LAST NIGHT.

A COMMUNIQUE SAID THE TWO STATESMEN WERE IN ACCORD AFTER CANVASSING
THE ENTIRE INTERNATIONAL SITUATION. IT ALSO DISCLOSED THAT CIANO ENJOY-
ED A SUCCESSFUL HUNT, BAGGING 64 HARES AND SEVEN STAGS.

(AN ITALIAN COMMUNIQUE ISSUED IN ROME SAID THEY "REAFFIRMED THEIR
JOINT DESIRE TO CONTINUE AND DEEPEN THEIR COLLABORATION FOR CONSOLIDATION
OF PEACE AND ORDER IN THIS PART OF EUROPE IN AGREEMENT WITH ALL COUN-
TRIES CONCERNED X X X")

(IT ADDED THAT THEY SAW EYE-TO-EYE "IN CONNECTION WITH A RECENT
MANIFESTATION OF COUNTRIES NEIGHBORING YUGOSLAVIA WHICH HAD FAVORABLE
REPERCUSSIONS AT BELGRADE." THIS PRESUMABLY WAS IN REFERENCE TO
HUNGARY'S WILLINGNESS TO SIGN A NON-AGGRESSION PACT WITH YUGOSLAVIA.)

WITH HUNGARY ALREADY VIRTUALLY A PART OF THE AXIS, GERMAN-ITALIAN
INFLUENCE IN SOUTHEASTERN EUROPE WAS EXTENDED CONSIDERABLY BY CIANO'S
NEGOTIATIONS.

IT WAS EMPHASIZED IN BELGRADE, HOWEVER, THAT WHILE YUGOSLAVIA NUDGED
CLOSER TO ROME AND BERLIN IN POLITICAL AND ECONOMIC COLLABORATION, THE
APPROACH WAS FROM THE SOUTHERN END OF THE AXIS.

ECONOMIC LEADERS, ESPECIALLY, OPENLY EXPRESSED SATISFACTION OVER

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THE POSSIBILITY OF DOING MORE BUSINESS WITH ITALY BECAUSE OF DIFFICULT
CONDITIONS OF PAYMENT AND BARTER INVOLVED IN TRADING WITH GERMANY.

IN OFFICIAL CIRCLES IT WAS SAID THAT ITALY WAS PREPARED TO EXTEND
CHEAP CREDITS FOR YUGOSLAV PUBLIC WORKS AND BUSINESS. RELIABLE EST-
IMATES OF FIGURES WERE LACKING.

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IT WAS EXPECTED AN ITALIAN BANK WOULD BE ESTABLISHED IN BELGRADE AND
ITALIAN CASH BE MADE AVAILABLE TO ELECTRIFY RAILWAYS AND BUILD A RAIL-
ROAD ACROSS SLOVANIA TO CONNECT TRIESTE AND VIENNA.

TRIESTE WOULD BE MADE A FREE HARBOR FOR YUGOSLAVIA, IT WAS STATED,
SO THAT AN EXTENSIVE REGION OF SLOVENIA WOULD HAVE EASIER ACCESS TO
THE ADRIATIC.

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HERETOFORE SLOVENE EXPORTERS HAVE BEEN AT A DISADVANTAGE BECAUSE OF
THE LONG RAIL HAUL TO YUGOSLAV HARBORS.

A POSITIVE ACCOMPLISHMENT IN THE POLITICAL FIELD WAS THE ARRANGING
OF FOUNDATIONS FOR A YUGOSLAV-HUNGARIAN DECLARATION OF FRIENDSHIP.

HUNGARY, IT WAS SAID, IN RETURN FOR RENOUNCING FORMALLY HER CLAIMS
ON ANY YUGOSLAV TERRITORY WAS HOLDING OUT FOR A PROMISE THAT YUGOSLAVIA
WOULD DO NOTHING IF HUNGARY MADE CLAIMS ON RUMANIA.

(UNDER THE POST-WORLD WAR TREATY OF TRIANON, SIGNED JUNE 4, 1920,
HUNGARY LOST 38,600 SQUARE MILES OF TERRITORY WITH A POPULATION OF
5,265,444 TO RUMANIA AND 8,100 SQUARE MILES EMBRACING 1,499,213 INHAB-
ITANTS TO YUGOSLAVIA).

YUGOSLAVIA HAS MADE NO PROMISES, HOWEVER, AND IT APPEARED HUNGARY
WAS READY TO YIELD THIS POINT.

CIANO WAS THE GUEST OF REGENT PRINCE PAUL AT A BANQUET TONIGHT AND
WAS LIONIZED BY THE SERBS. THE NEWSPAPER VREME LIKENED HIM TO CAESAR
THE ITALIAN FOREIGN MINISTER ARRANGED TO DEPART FOR ROME ON A
MIDNIGHT TRAIN.

BUENOS AIRES, JAN. 21 (AP)—THE REPORTED NAZI CAMPAIGN TO BRING THE UKRAINE WITHIN GERMANY'S ORBIT ECHOED IN BUENOS AIRES TONIGHT WHEN 300 OF ARGENTINA'S NUMEROUS UKRAINIANS ATTENDED A MEETING AT WHICH SPEAKERS DEMANDED AN INDEPENDENT HOMELAND.

ITALIANS, WHOSE COUNTRY IS AN AXIS PARTNER OF GERMANY, COOPERATED IN THE MEETING AT THE HALL OF THE "ITALIAN ASSOCIATION FOR MUTUAL AID AND INSTRUCTION," CENTER OF ITALIAN ACTIVITIES.

AS PART OF THE PROPAGANDA CAMPAIGN FOR AN INDEPENDENT UKRAINE, WHICH FLOSSOMED IN BUENOS AIRES OVERNIGHT, ORATORS SPEAKING UKRAINIAN AND POLISH APPEARED IN OBSERVANCE OF "THE TWENTIETH ANNIVERSARY OF THE PROCLAMATION OF THE INDEPENDENCE AND SOVEREIGNTY OF ALL UKRAINIAN LANDS."

(AN INDEPENDENT UKRAINE NEGOTIATED A SEPARATE PEACE WITH GERMANY IN 1917 AFTER THE CZAR HAD BEEN OVERTHROWN AND WHILE THE WORLD WAR WAS IN PROGRESS. THIS REGIME WAS SOON REPLACED BY A BOLSHEVIK GOVERNMENT, WHICH LASTED UNTIL GERMAN TROOPS ARRIVED.

(WHEN GERMANY LOST THE WAR AND, WITH IT, THE UKRAINE, THERE AGAIN WAS A UKRAINIAN NATIONALIST REGIME, EVENTUALLY SUPPLANTED BY A REPUBLIC WITHIN SOVIET RUSSIA.)

PERSONS ATTENDING TONIGHT'S MEETING SAID GERMAN SUPPORT IN CREATING AN ACTIVE, FASCIST-LIKE UKRAINIAN NATIONALIST ORGANIZATION WOULD BRING UKRAINIANS INTO THE ORBIT OF NAZI ORGANIZATIONS IN ARGENTINA.

NAZIS WERE ALREADY COUNT ON COOPERATION OF ITALIAN FASCIST GROUPS AND SPANISH FALANGISTS.

WALLS IN BUENOS AIRES HAVE BEEN PLASTERED RECENTLY WITH POSTERS APPEALING TO ARGENTINES IN BEHALF OF THE UKRAINIAN CAMPAIGN.

UNIFORMED UKRAINIAN YOUTHS APPEARED AT THE MEETING TONIGHT "TO PRESERVE ORDER." GERMAN NAZI REPRESENTATIVES CIRCULATED IN THE BACKGROUND DURING THE MEETING.

THEY RECEIVED SMART, NAZI SALUTES.

(ADVANCE) MOSCOW — (CORRESPONDENCE OF THE ASSOCIATED PRESS)—THERE'S A BIG "KEEP OUT" SIGN POSTED ON THE SOVIET UKRAINE, AND IT'S FACING SQUARELY TOWARD ADOLF HITLER IN GERMANY.

MOSCOW WAS NOT SURPRISED BY THE SUDDEN REVIVAL IN FOREIGN COUNTRIES OF THE PROPAGANDA FOR A "UNITED, INDEPENDENT UKRAINE". IT PREDICTED SOMETHING OF THE SORT AS AN AFTERMATH TO THE DISMEMBERMENT OF CZECHOSLOVAKIA.

AND ITS ANSWER IN ADVANCE WAS THAT WHOEVER TRIES TO DETACH THE SOVIET UKRAINE FROM THE USSR WILL GET AN IMMEDIATE ARMED REACTION.

THE UKRAINE HAS BEEN THROUGH A LOT SINCE THE COLLAPSE OF CZARIST RUSSIA.

IN 1917 AN INDEPENDENT UKRAINE NEGOTIATED A SEPARATE PEACE WITH THE CENTRAL POWERS. THIS BOURGEOIS DEMOCRATIC REGIME SOON WAS REPLACED BY A BOLSHEVIK GOVERNMENT, WHICH LASTED UNTIL GERMAN TROOPS ARRIVED AND SET UP A PUPPET REGIME UNDER HETMAN SKOROPADSKY.

WHEN GERMANY LOST THE WAR AND, WITH IT, THE UKRAINE, THERE WAS AGAIN A UKRAINIAN NATIONALIST REGIME FOR AWHILE, SUCCEEDED BY ANOTHER BOLSHEVIK GOVERNMENT WHICH WAS DRIVEN OUT BY GENERAL DENIKIN IN 1919 BUT SOON RE-ESTABLISHED ITSELF.

OF ALL THE VICTIMS OF THIS TIME OF STRIFE AND SUFFERING, THE JEWS OF THE UKRAINE, ABOUT 5 PER CENT OF THE POPULATION, PROBABLY SUFFERED MOST.

ENTHUSIASTIC BOLSHEVIKS CONFISCATED THEIR PROPERTY OR TREATED THEM AS ENEMIES OF THE REVOLUTION, NOT BECAUSE THEY WERE JEWS, BUT BECAUSE THEY WERE CAPITALISTS AND KULAKS.

WHITE TROOPS AND ROVING BANDS OF MARAUDERS LOOTED THEIR SHOPS AND HOMES AND TOOK THEIR LIVES, NOT BECAUSE THEY WERE CAPITALISTS AND KULAKS, BUT BECAUSE THEY WERE JEWS.

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AFTER ORDER FINALLY WAS RESTORED IN THE UKRAINE AND THE POSTWAR SOVIET-POLISH CONFLICT HAD ENDED, BOTH POLAND AND SOVIET-RUSSIA RECOGNIZED THE INDEPENDENCE OF THE UKRAINE, AND A RUSSO-UKRAINIAN TREATY WAS SIGNED DEFINING THE RELATIONS OF THE UKRAINE TO MOSCOW. TODAY THE UKRAINIAN SOCIALIST SOVIET REPUBLIC IS ONE OF THE ELEVEN CONSTITUENT REPUBLICS OF THE USSR, CLOSELY BOUND TO THE OTHERS BY COMMON LOYALTY TO THE COMMUNIST PARTY AND ITS LEADER, JOSEPH V. STALIN.

23 1939
UNDER THE STALIN CONSTITUTION UKRAINIANS ENJOY FULL AUTONOMY WITHIN THE FRAMEWORK OF PARTY AND STATE. RACIAL DISCRIMINATION BETWEEN RUSSIAN, UKRAINIAN OR JEW IS FORBIDDEN BY LAW. THE UKRAINIAN LANGUAGE IS THE LANGUAGE OF THE SOVIET UKRAINE.

THE MORE THAN 30,000,000 INHABITANTS OF SOVIET UKRAINE CONSTITUTE ABOUT ONE-FIFTH OF THE ENTIRE POPULATION OF THE USSR, AND THEIR HOMELAND IS PERHAPS THE RICHEST OF ALL REGIONS OF THE SOVIET UNION IN NATURAL RESOURCES.

HERE ARE THE GREAT COALFIELDS OF THE DONETZ DISTRICT, THE IRON MINES OF THE KRIVOI ROG, MANGANESE, MERCURY, GRAPHITE, COPPER, POTTERY CLAYS, SALT; THE GREAT DNIESTROSTROY ELECTRIC POWER DEVELOPMENT; GREAT TRACTS OF AGRICULTURAL LAND PRODUCING WHEAT, BARLEY, OATS, SUGAR BEETS; ORCHARDS, VINEYARDS AND PASTURE LANDS -- A NATURALLY RICH COUNTRY BIGGER THAN ROMANIA AND ALMOST AS BIG AS FRANCE.

NO ONE IS FOOLISH ENOUGH TO THINK THE SOVIET GOVERNMENT IS NEGLECTING THE DEFENSE OF THIS VITAL AND HIGHLY VALUABLE REGION.

AS A MATTER OF POLICY, NO DETAILS OF SUCH DEFENSE ARE MADE PUBLIC, BUT IN EXPANSIVE MOMENTS, GOVERNMENT SPOKESMEN GO SO FAR AS TO ADMIT THERE MUST BE SOME TROOPS DOWN THAT WAY.

INDICATIONS ARE NOT LACKING THAT VIGOROUS PREPARATIONS HAVE

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BEEN MADE AND ARE BEING MADE TO PROTECT THE SOVIET UKRAINE FROM INVASION--NOT ONLY BY FOREIGN TROOPS BUT BY SUBVERSIVE PROPAGANDA FROM ABROAD.

JAN 23 1939
RUTHLESS ELIMINATION AWAITS THOSE POLITICALLY UNRELIABLE INHABITANTS WHO GIVE AID OR COMFORT TO SEPARATIST AGITATORS.

BEFORE THE END OF 1933, THE YEAR ADOLF HITLER CAME TO POWER IN GERMANY, IT WAS ANNOUNCED IN MOSCOW THAT A CONSPIRACY TO SEPARATE THE UKRAINE FROM SOVIET RUSSIA HAD BEEN FRUSTRATED AND THAT GERMANY WAS THE FOREIGN POWER BEHIND THE BOURGEOIS COUNTER-REVOLUTIONARIES INVOLVED.

SINCE THEN THERE HAS SCARCELY BEEN A MAJOR TREASON TRIAL IN MOSCOW IN WHICH SOMEONE HAS NOT CONFESSED PLOTTING WITH GERMAN AGENTS IN SOME SCHEME TO SEIZE THE UKRAINE.

LATELY, SINCE THE ESTABLISHMENT OF THE AUTONOMOUS STATE OF CARPATHO-UKRAINE (VIEWED BY MOSCOW AS HITLER'S DRILL-GROUND FOR A FUTURE INVASION OF THE SOVIET UKRAINE), THE POLITICAL POLICE HAVE BEEN EVEN MORE ALERT.

A RUTHLESS PURGE OF THE COMMUNIST YOUTH ORGANIZATION IN THE UKRAINE WAS LAUNCHED RECENTLY TO COMBAT THE ACTIVITIES OF A "BLOODY, TRIPLE-CURSED GANG OF FASCIST DEGENERATES" WHO THE RUSSIANS SAID HAD ATTEMPTED TO TURN UKRAINIAN YOUTH AGAINST THE STALINIST REGIME.

"THE TROTSKYIST-BUKHARINIST BOURGEOIS NATIONALIST BANDITS SUCCEEDED," SAYS THE NEWSPAPER SOVIET UKRAINE, "IN MORALLY AND POLITICALLY CORRUPTING NUMEROUS CONSONOL (YOUNG COMMUNIST) WORKERS WHO WERE WITHOUT FIRM CONVICTIONS.....AND TO MAKE OF THEM TOOLS OF FOREIGN INTELLIGENCE SERVICES."

SOME FOREIGN OBSERVERS HERE EXPECT HITLER TO ENCOURAGE FIRST THE

AUTONOMIST MOVEMENT AMONG THE SEVERAL MILLION UKRAINIANS LIVING IN POLAND. ONLY AFTER THAT HAS PRODUCED AN AUTONOMOUS UKRAINIAN STATE BORDERING ON THE USSR DO THEY EXPECT HIM TO LAUNCH A SERIOUS CAMPAIGN FOR "LIBERATION" OF THE MORE THAN 10,000,000 INHABITANTS OF THE SOVIET UKRAINE.

MOSCOW, HOWEVER, IS TAKING NO CHANCES. WITHOUT WAITING FOR HITLER TO COME ANY CLOSER, POLITICALLY UNRELIABLE ELEMENTS ARE BEING ELIMINATED AND THE POPULATION OF THE UKRAINE STRENGTHENED IN ITS ENTHUSIASM FOR LIFE WITHIN THE SOVIET UNION.

(END SUNDAY ADVANCE, MOVED JAN 14)

CHAMBERLAIN IN PLEA FOR BRITISH ARMY OF CIVILIANS

LONDON, Jan. 23 (A. P.).—Prime Minister Neville Chamberlain appealed today for the voluntary support of 50,000,000 Britons between the ages of 14 and 65 for the civil defense army.

The Prime Minister broadcast his message to the empire in connection with the issuance Wednesday of the "National Service Guide," which outlines precise means of war-time service for all.

"Its scheme is to make us ready for war," Mr. Chamberlain said, adding that "that does not mean I think war is coming."

"The better we are prepared to defend ourselves and to resist attack," he explained, "the less likely is it that any aggressor will try an adventure in which chances of success would be so unpromising."

[A dispatch of the United Press from Rome stated later today that Marshal Italo Balbo's newspaper had carried a report that Fuehrer Adolf Hitler and Count Galeazzo Ciano would make formal announcement of Germany's and Italy's claims in Europe in Berlin on January 30.]

Mr. Chamberlain in his appeal stressed the voluntary nature of the wartime service for which he pleaded and, concluding, declared:

"It is for you to show the world what a free people are prepared to do in defense of their liberties and

the ideals in which they believe." After explaining that announcement of the plan did not indicate the thought war was coming, Mr. Chamberlain said:

"You know I have done, and shall continue to do, all I can to preserve peace for ourselves and for others too. We in this country would never begin a war. But we might be forced to take part in a war begun by others or we might be attacked ourselves if the government of some other country were to think we could not defend ourselves effectively."

The Prime Minister declared modern war was not like wars of the past.

Stresses Plans Development.

"The development of air forces has deprived us of our old island security and in our case, as in the case of Continental countries, the civilians would be victims of attack as much as soldiers, sailors and airmen," Mr. Chamberlain said. "Indeed they might very likely be the first victims. For that reason, if we wish to protect our civilian population in time of war, we must prepare the necessary organization in time of peace. More than that, we must train it in peace, for there will be no time to train after a war starts."

"One last point I want to emphasize. Ours is a voluntary scheme. Our call is for voluntary effort and voluntary effort alone. There are some who sincerely believe a compulsory scheme would be more effective. But compulsion is not in accordance with the tradition of freedom which we have always striven to maintain."

"We are confident we shall get all the volunteers we want without recourse to compulsion."

Eden Issues Warning.

COVENTRY, England, Jan. 23 (A. P.).—Anthony Eden warned France and Great Britain today to guard well their Mediterranean interests against effects of the Spanish civil war and declared: "If Franco wins, his victory is a foreign victory."

Speaking in his constituency, the former Foreign Secretary propounded the thesis that "the political independence and territorial integrity of Spain should be respected; no foreign Power or Powers should be allowed to establish themselves in Spain or Spanish possessions and Spain should be truly free to determine her destiny." Capt. Eden spoke of the powerful armament of insurgent Generalissimo Franco pounding at the doors of Barcelona and asserted: "Every one knows who provides this armament."

"How can any of us deny that if Franco wins, his victory is a foreign victory," he stated.

Charges Intervention.

"The truth is that certain States, although pledged to non-intervention, are intervening on a scale they deem sufficient to insure victory for Gen. Franco, and what do they tell us?"

"That if France dares to do even a fraction of what they are doing they will reconsider the situation—whatever that may mean."

"How can dictation of that kind provide the basis for true friendship? . . . The sooner the world understands that the democracies will neither be flustered nor browbeaten into the surrender of their own rights, just the better for all concerned."

He then outlined his thesis and said that Spanish political freedom was even more important in these

days of submarines and airplanes than it was a hundred years ago. "In the light of these reflections," he declared, "who can fail to be gravely disturbed at recent events?"

Chamberlain's Broadcast

LONDON, Jan. 23 (A. P.).—The text of Prime Minister Neville Chamberlain's radio address to the empire today in connection with the issuance Wednesday of the "National Service Guide" follows:

I want to speak to you tonight about the government scheme of voluntary national service and about the handbook which will be delivered to all your homes next week.

But before I do so I am going to say a few words about conditions which in our view make the scheme necessary for the security of the country.

It is a scheme to make us ready for war. That does not mean that I think war is coming. You know that I have done all I can to preserve peace for ourselves and for others too.

We in this country would never begin a war. But we might be forced to take part in a war begun by others, or we might be attacked ourselves if the government of some other country were to think we could not defend ourselves effectively.

The better prepared we are to defend ourselves and to resist attack the less likely it is that any aggressor will try an adventure in which the chances of success would be so unpromising. That is my first point.

Modern War Different.

My second point is this: Modern war is not like wars of the past. The development of air forces has deprived us of our old island security and in our case, as in the case of Continental countries, the civilians would be the victims of an attack as much as soldiers, sailors and airmen. Indeed they might very likely be the first victims.

For that reason if we wish to protect our civilian population in time of war we must prepare necessary organization in time of peace. More than that, we must train it in peace, for there will be no time to train after war starts.

Therefore you will see that our scheme is just one of common prudence and just as necessary for our safety as battleships or guns or airplanes, though not meaning any more than they do that war is bound to come soon or even at all.

Now let me turn to the handbook which I hope you will all read very carefully when it comes, for its message concerns you all.

You will find in it a description of many forms of service which would be required for safety or the assistance of the public if our country were involved in war.

What we ask those of you to do who are ready to volunteer and are not already engaged in work essential to the country's security.

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which is itself a national service, is to choose one of these forms of service and to undertake the necessary training forthwith.

I leave it to you to study these different forms of service and to decide, each of you, whether there is one for which you are fitted. The handbook will tell you about them simply and clearly and it is not my purpose now to attempt to describe them.

If, when you have read the book, you are doubtful whether you can be of assistance or want to know what you could most usefully do, it tells you of friendly advisers who will be at hand to help you.

A schedule has been prepared of all occupations which are so essential to the war effort of the nation that persons in them should not bind themselves to undertake in war any other form of full-time service. It may be that in view of the nature of your occupation your best service would be to continue the work or occupation in which you are now engaged.

This schedule is not being sent to every home, because it affects only a proportion of the people. But it will be made widely available and if you are in doubt the advisers to whom I have already referred will be able to tell you what to do.

If you are ready to volunteer, ask yourself for what service you are personally fitted. Then make your choice and give your answer on the form which you will find in the book.

More volunteers are needed in some services than in others, but in all cases we must have the number we ask for. Those who come forward first will, if they have been found suitable, be accepted first.

Scheme Is Voluntary

One last point I want to emphasize: Ours is a voluntary scheme. Our call is for voluntary effort and voluntary effort alone.

There are some who sincerely believe a compulsory scheme would be more effective. But compulsion is not in accordance with the tradition of freedom which we have always striven to maintain. We are confident we shall get all the volunteers we want without recourse to compulsion.

Many of you, I know, have been asking how you could help at this time. Most of you I believe have felt the need in your hearts to offer some kind of sacrifice or service to your country in these difficult times.

Our proposals give you your opportunity. It is for you to show the world what a free people is prepared to do in defense of their liberties and the ideals in which

estimated 1,200 enemy aircraft now are engaged in the far-flung raids. Besides Chungking, Japanese targets include:

SWISS GUARD BORDER

Re-enforce Line on Rumors of German Troop Moves.

BERNE, Switzerland, Jan. 23 (A. P.).—The Eastern Swiss canton of Saint Gallen, which faces Austria, was ordered to re-enforce its frontier protection services because of rumors of "abnormal troop movements in Greater Germany," officials said today.

[In Berlin the Foreign Office and Propaganda Ministry denied knowledge of any abnormal troop movements in former Austrian territory.]

The officials asserted 100 men were ordered to the frontier and added that the movement was to "reassure" the Swiss population of their security. They added that they had no confirmation of the rumored German troop movements.

DEMANDS ON CZECHS

Germany Said to Ask End of Pact With Russia.

PRAGUE, Jan. 23 (A. P.).—Chancellor Hitler of Germany and his Foreign Minister, Joachim von Ribbentrop, have demanded that Czechoslovakia renounce immediately her mutual assistance pact with Soviet Russia, reliable circles here reported today.

Germany also has demanded that Czechoslovakia join the anti-comintern pact, which now includes Hungary, Germany, Italy and Japan, and that she prepare for closer military co-operation with the Reich.

The reports arose after Foreign Minister Frantisek Chvalkovsky had told the cabinet the substance of his conversations in Berlin last week.

30.24-1247

30.24-1247

PRAGUE--FIRST ADD GERMANY-CZECHO-SLOVAKIA (TRUNKED)

X X X LAST WEEK.

GERMANY ALSO WANTS CZECHO-SLOVAKIA TO ENTER INTO A CUSTOMS AND CURRENCY UNION, IT WAS REPORTED, BUT IT WAS UNDERSTOOD THE QUESTION HAD BEEN POSTPONED TEMPORARILY ON ACCOUNT OF CHVALKOVSKY'S EXCEPTIONS TO THE PLAN.

IN CONNECTION WITH CLOSER MILITARY COOPERATION BETWEEN THE TWO NATIONS, IT WAS UNDERSTOOD THAT GERMANY HAD SUGGESTED THAT SHE SEND A MILITARY MISSION TO PRAGUE SIMILAR TO THE ONE FORMERLY MAINTAINED BY FRANCE.

THE FRENCH MILITARY MISSION, PRIOR TO THE MUNICH PACT WHICH SHEARED THE SUDETENLAND FROM CZECHO-SLOVAKIA, ADVISED CZECHO-SLOVAK MILITARY AUTHORITIES AND SUPERVISED CONSTRUCTION OF CZECHO-SLOVAKIA'S BORDER DEFENSES WHICH WERE SACRIFICED IN THE SURRENDER OF TERRITORY.

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Beck Backs Hungary

WARSAW, Jan. 23 (AP).--Foreign Minister Joseph Beck was disclosed today to have declared that Hungary could depend on a "friendly attitude" from Poland in efforts to acquire Carpatho-Ukraine, eastern autonomous province of Czecho-Slovakia. The Polish stand regarding the desires of Hungary, upon which Germany has frowned, was disclosed in Beck's letter to the Sejm (Parliament) answering a parliamentary query.

THE STATEMENT CAME AS POLAND PREPARED TO RECEIVE THE GERMAN FOREIGN MINISTER, JOACHIM VON RIBBENTROP, THURSDAY TO DISCUSS GERMAN-POLISH COLLABORATION IN EASTERN EUROPEAN AFFAIRS. WHILE RIBBENTROP IS IN WARSAW THE FIFTH ANNIVERSARY OF THE 10-YEAR NON-AGGRESSION TREATY BETWEEN POLAND AND GERMANY WILL BE OBSERVED.

JAN 24 1939

(COUNT STEFAN CSAKY, HUNGARIAN FOREIGN MINISTER, ON HIS STATE VISIT TO BERLIN LAST WEEK WAS REPORTED TO HAVE AGREED TO DROP BORDER DIFFERENCES WITH CZECHO-SLOVAKIA, AN AGREEMENT THAT WOULD SEEM TO END HUNGARY'S HOPE OF ANNEXING CARPATHO-UKRAINE.)

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NOT MEAN HE THOUGHT WAR WAS COMING.

"BUT," HE SAID, "WE MIGHT BE FORCED TO TAKE PART IN A WAR BEGUN BY OTHERS, OR WE MIGHT BE ATTACKED OURSELVES IF THE GOVERNMENT OF SOME OTHER COUNTRY WERE TO THINK WE COULD NOT DEFEND OURSELVES EFFECTIVELY."

JAN 24 1939

CHAMBERLAIN APPEALED FOR THE VOLUNTARY SUPPORT OF 50,000,000 BRITONS BETWEEN THE AGES OF 14 AND 45 FOR THE CIVIL DEFENSE ARMY. HIS ADDRESS WAS IN CONNECTION WITH ISSUANCE WEDNESDAY OF THE "NATIONAL SERVICE GUIDE" WHICH OUTLINES PRECISE MEANS OF WARTIME SERVICE FOR ALL.

EDEN, ADDRESSING HIS CONSTITUENCY AT COVENTRY IN A SPEECH UNCONNECTED WITH THE CHAMBERLAIN PLEA, SAID THAT IF THE INSURGENTS SHOULD WIN THE SPANISH CIVIL WAR IT WOULD BE "A FOREIGN VICTORY."

DISCUSSING POWERFUL ARMAMENTS OF THE INSURGENTS, EDEN SAID

"EVERYONE KNOWS WHO PROVIDES THIS ARMAMENT."

LONDON, JAN. 23--(AP)--PRIME MINISTER NEVILLE CHAMBERLAIN AND HIS

FORMER FOREIGN SECRETARY, ANTHONY EDEN, ISSUED A COMMON WARNING TONIGHT OF DANGERS TO BRITAIN AT HOME AND ABROAD.

CHAMBERLAIN, IN AN EMPIRE-WIDE RADIO ADDRESS OPENING A RECRUITING DRIVE FOR A HUGE VOLUNTEER HOME DEFENSE ARMY, SAID HIS REMARKS DID

NOT MENTIONING ITALY OR GERMANY, WHO HAVE GIVEN AID TO THE INSURGENTS, EDEN ASKED "HOW CAN ANY OF US DENY THAT IF FRANCO WINS, HIS VICTORY IS A FOREIGN VICTORY."

JAN 24 1939

"THE POLITICAL INDEPENDENCE AND TERRITORIAL INTEGRITY OF SPAIN SHOULD BE RESPECTED. NO FOREIGN POWER OR POWERS SHOULD BE ALLOWED TO ESTABLISH THEMSELVES IN SPAIN OR SPANISH POSSESSIONS, AND SPAIN SHOULD BE TRULY FREE TO DETERMINE HER DESTINY."

THE TRUTH IS THAT CERTAIN STATES, ALTHOUGH PLEDGED TO NON-INTERVENTION, ARE INTERVENING ON A SCALE THEY DEEM SUFFICIENT TO ENSURE VICTORY FOR GENERAL FRANCO, AND WHAT DO THEY TELL US?

"THAT IF FRANCE SARES TO DO EVEN A FRACTION OF WHAT THEY ARE DOING THEY WILL RECONSIDER THE SITUATION--WHATEVER THAT MAY MEAN. HOW CAN DICTATION OF THAT KIND PROVIDE THE BASIS FOR TRUE FRIENDSHIP?"

CHAMBERLAIN IN DISMISSING THE PLAN OF THE NATIONAL SERVICE GUIDE SAID "ITS SCHEME IS TO MAKE US READY FOR WAR."

"THE BETTER WE ARE PREPARED TO DEFEND OURSELVES AND TO RESIST ATTACK," HE SAID, "THE LESS LIKELY IS IT THAT ANY AGGRESSOR WILL TRY AN ADVENTURE IN WHICH CHANCES OF SUCCESS WOULD BE SO UNPROMISING."

STRESSING THE VOLUNTARY CHARACTER OF THE PLAN, THE PRIME MINISTER SAID:

"THE DEVELOPMENT OF AIR FORCES HAS DEPRIVED US OF OUR OLD ISLAND SECURITY AND IN OUR CASE, AS IN THE CASE OF CONTINENTAL COUNTRIES, THE CIVILIANS WOULD BE VICTIMS OF ATTACK AS MUCH AS SOLDIERS, SAILORS AND AIRMEN."

"INDEED THEY MIGHT VERY LIKELY BE THE FIRST VICTIMS. FOR THAT REASON, IF WE WISH TO PROTECT OUR CIVILIAN POPULATION IN TIME OF WAR, WE MUST PREPARE THE NECESSARY ORGANIZATION IN TIME OF PEACE."

JAN 24 1939

STOCK MARTS OF EUROPE HIT BY FEAR WAVE

Day Called Blackest Since Crisis Of Last September

[By the Associated Press]

London, Jan. 23—An undefined wave of fear swept European stock markets today, causing what many commentators described as the "blackest day since the September crisis" when it appeared Germany, France, Britain, Italy, Russia and perhaps others were about to go to war over Czechoslovakia.

London's City—the British equivalent of Wall Street in New York—was caught during the day between the whiplash of apparently unfounded rumors of troop movements in various parts of Europe and quick official denials.

Such unsettling reports were coupled with a pessimistic interpretation of the basic international outlook.

Other Bearish Developments

Other bearish developments included:

1. Chancellor Adolf Hitler's decision Saturday to require membership of all able-bodied men in his Nazi Storm Troopers or other Nazi formations.
2. Premier Benito Mussolini's blunt warning to France yesterday that a firm stand against his territorial demands in Africa and the Mediterranean might find an even firmer Italy. This warning had been preceded by official statements that Italy is waiting for her accounting with France until after the Spanish war is settled—and to many observers the war seemed to be reaching a critical stage.
3. The virtual alliance of Yugoslavia

with Italy, as announced today by the Fascist editorial writer, Virginio Gayda. Gayda said Yugoslavia saw eye to eye with Italy on the Spanish question. Communism and Italy's differences with France and that they, while they might not fight together, would not fight against one another.

Two Reassuring Factors

The speech of Anthony Eden, former British Foreign Minister, although coming after the market closed, also voiced a general British and French fear of an insurgent victory in Spain.

Two developments tended to reassure traders—speeches by Prime Minister Neville Chamberlain and by Robert Spear Hudson, secretary of the British Overseas Trade Department—but these also came after the close

of the market.

Mr. Chamberlain's speech gave impetus to home defense, but gave no hint of any special alarm, while Mr. Hudson's address was a cautious offer

to Germany of peace in trade relations if she will give international politics a rest from disturbing influences.

Paris Bourse Weakens

Amsterdam traders apparently led the way with the headlong selling offers in the day's trading, and London followed. The Paris Bourse weakened, and frantic selling cables from South Africa poured into all three markets.

Berlin stock market prices, quoted in German currency, went higher because of the fear of inflation which weakened confidence in the value of the mark.

The difficulty in London of sellers finding buyers helped stem an inclination to throw everything overboard at price cuts ranging to an extreme of ten per cent.

Some of the best British Government securities fell nearly two per cent.

Several large institutions stepped in with buying orders at the day's lowest levels, and caused a steadier trend, but late in the day price cutting again appeared when Wall Street opened weak.

Hudson Speech On Trade

Speaking before the German Chamber of Commerce for the United Kingdom, on the possibilities of enlarging Anglo-German trade, Mr. Hudson said:

"But I must add one word of caution. Progress of trade depends on international conditions and, first and foremost, on restoration of international confidence. So long as Europe is in a state of tension, trade cannot be expected to prosper.

"Our Prime Minister himself has given supreme evidence of his willingness to pursue settlement of international difficulties by means of peaceful negotiations. But I think we are entitled in all friendliness to ex-

pect some gesture in return."

Stocks Drop From \$1 To \$6 On New York Market

New York, Jan. 23 (AP)—Stocks cracked \$1 to \$6 a share today in the sharpest break in four months as Wall Street brokers scanned headlines from Berlin, Barcelona, London and other European capitals for clues to causes of a three-day downward swing of security prices.

Traders were hesitant to put a finger on any one of a series of rapid-fire developments in the fast-changing European political picture as the force motivating dumping of securities here.

The slide in prices started from a trickle of selling last Friday following the news of Chancellor Adolf Hitler's dismissal of Dr. Hjalmar Schacht as head of the Reichsbank. Dr. Schacht was generally regarded as the last of the "conservatives" in the German central government.

Foreign Liquidation Blamed

Since Friday values have tobogganed faster, and the Associated Press average of sixty representative stocks has fallen \$3.20 a share to \$48.80.

There were reports in Wall Street Saturday that at least two of the large brokerage houses with foreign connec-

tions had received orders from foreign holders to sell American securities—ostensibly for the purpose of raising cash to buy gold and provide the liquidity sought by all nationals wherever international trouble appears imminent.

Today the selling continued and a considerable part of the day's volume of 1,881,000 shares was said to represent foreign liquidation.

The bond market also broke today and commodities were lower.

Moreover, in foreign-exchange dealings, the Netherlands guilder dropped 16 1/2 of a cent to 54.09 cents in terms of the dollar.

Possible Causes Listed

Listed among brokers as possible causes of the selloff in speculative markets here were the following:

1. Dismissal of Dr. Schacht as head of the Reichsbank, which might be a forerunner of new monetary manipulations in Germany, a trade war with the United States, or of further demands upon Great Britain and France for a bigger part in the policing of Europe.
2. Closing in of Spanish Insurgents on Barcelona, with predictions of a quick insurgent victory coming from Generalissimo Francisco Franco's headquarters.
3. Rumors of a Spanish Insurgent-Italian understanding if General Franco takes Loyalist Spain, giv-

ing Franco and Premier Benito Mussolini wide rein in policing of the Mediterranean.

4. Reports Germany was planning a press attack on The Netherlands and Belgium, charging The Netherlands particularly with "violating" agreements under which all major countries guarantee its neutrality, by keeping Dutch gold in London.

5. New nervousness created by the address today of Neville Chamberlain, British Prime Minister, appealing for voluntary support of 50,000,000 Britons between the ages of 14 and 65 for defense of the British Empire if the need came.

Unknown Factor Feared

But with all the rumors going around, brokers were unable to attribute the selloff in stocks to any one specific development.

There was a general feeling in some circles that international developments, now in the making, and not known generally, might be on the way.

Bankers and brokers were besieged by telephoning clients who sought information on the reasons for the abrupt and sharp decline in share values. The Wall Streeters in turn appealed to cable editors of some of the newspapers and press associations for word which might give some clue to the events responsible for the selling wave.

Among the biggest declines in the New York Stock Exchange were those of United States Steel, down \$1.27 a share, at \$58; Bethlehem Steel, \$63.75, down \$6.25; Ingersoll-Rand, \$103, off \$10; Allied Chemical, \$173, down \$8; Cerro de Pasco, \$40.25, down \$3; United States Rubber, \$42.25, down \$3.70, and J. I. Case, \$86.50, down \$6.50.

Gayda Declares Yugoslavia Now

Friend of Italy

Fascist Editor Proclaims Nations Virtual Allies After Belgrade Talks

ROME, Jan. 23 (AP)—Yugoslavia, for years a satellite of France in European power politics, was proclaimed a friend and virtual ally of Italy today.

Virginio Gayda, authoritative Fascist commentator, writing in "Il Giornale d'Italia" of understandings reached by Italian Foreign Minister Count Galeazzo Ciano and Yugoslav Premier Milan Stoyadinovich on a Yugoslav hunting party last week, asserted: "Europe must calculate on this new state of Ital-

ian-Yugoslav relations, destined to continue with ever-increasing evidence of its international influence.

Gayda wrote that Yugoslavia saw eye to eye with Italy in her present differences with France over the Mediterranean balance, and was with Italy in her attitude toward Spain and her opposition to Communism.

While the Italian-Yugoslav friendship understandings did not constitute a military alliance, Gayda said, it was made certain that "in no eventuality will Italy and Yugoslavia find themselves in differing positions, much less opposed and combative."

(A dispatch from Belgrade said Italian financial aid to Yugoslavia and prospects of a friendship agreement between Yugoslavia and Hungary appeared to be the most concrete results of Ciano's visit.)

ROME, Jan. 23 (A. P.).—Virginio Gayda, Fascist editor close to Premier Mussolini, announced today that Yugoslavia would refuse to fight against Italy in any Mediterranean war. The authoritative editor of Il Giornale d'Italia indicated that Italy counted at least on Yugoslavia's benevolent neutrality in the event of a conflict with France.

He raised the possibility, however, of Yugoslavia's actual aid by saying that Europe must take into consideration new relations between Italy and Yugoslavia which "bring together sixty-five millions of men in high national spirit and war efficiency."

Signor Gayda said that Rome and Belgrade shared the same views on the civil war in Spain, communism and Italy's territorial claims against France.

Collaboration on which Count Ciano and Premier Stoyadinovich agreed, Signor Gayda said, "naturally did not specify promises of active mutual assistance but it means that on no problem and in no eventuality will Italy and Yugoslavia find themselves in differing positions or even opposed in combat."

BELGRADE, Yugoslavia, Jan. 23 (A. P.).—Italian financial aid to Yugoslavia and a friendship agreement between Yugoslavia and Hungary were reported today to be results of the visit by Italian Foreign Minister, Count Ciano, last week. Count Ciano came on a hunting trip, during which he talked at length with Premier Milan Stoyadinovich.

Official circles said that Italy was prepared to extend credits for Yugoslav public works projects and industrial developments. An Italian bank probably would be established in Belgrade to facilitate this.

Ciano May Go To Berlin To Attend Nazi Rally

Ferrara, Italy, Jan. 23 (A. P.).—Air Marshal Italo Balbo's newspaper, Corriere

Padano, published a Berlin dispatch today saying Count Galeazzo Ciano,

Foreign Minister, might go there January 30 to attend the Nazi's seventh anniversary of their rise to power.

The dispatch said that on this occasion Adolf Hitler was expected to address the Reichstag on colonial questions and that it was rumored Count Ciano would deliver a speech declaring German-Italian demands march side-by-side.

Reports that Hitler would support Italy's territorial demands on France in his Reichstag speech were circulated when Neville Chamberlain, British Prime Minister, visited Rome from January 11 to 14.

Fascist circles then regarded these reports as "quite credible."

Deputies tomorrow, that France would stand by her policy of non-intervention in Spain. In return, the German Ambassador promised that Chancellor Adolf Hitler would find some means of bringing Premier Benito Mussolini of Italy, his axis partner, to terms with France, it was said.

As this meant no change in the policy to which France already had agreed under British pressure, diplomats considered it a rather one-sided victory for the French if no other problem was involved.

Since Hitler is not in the habit of giving something for nothing, they speculated that perhaps France had promised also to extend de facto recognition to the insurgent regime by sending an agent to Burgos, its capital.

The French Cabinet was understood to have received favorably a suggestion by Bonnet that France must be represented at Burgos.

30.24-1249
ALVAREZ DEL VAYO'S VISIT WAS CONCERNED WITH THE FLIGHT OF THOUSANDS OF PEOPLE WHO WOULD HAVE NO OTHER ESCAPE BUT ACROSS THE FRENCH BORDER IF THE INSURGENT RED AND GOLD BATTLES SWEEP OVER THE REST OF CATALONIA.
ALVAREZ DEL VAYO ASKED SPECIFICALLY THAT THE BORDER BE OPENED TO MANY THOUSANDS OF CIVILIANS. (DISPATCHES REACHING HENDAYE, FRANCE, SAID THE BARCELONA GOVERNMENT WAS REPORTED TO HAVE ASKED FRANCE TO AUTHORIZE ENTRY OF 40,000 REFUGEES.)
A RAILWAY ACROSS SLOVENIA TO CONNECT TRIESTE AND VIENNA, SO THAT TRIESTE COULD BE MADE A FREE HARBOR FOR YUGOSLAVIA, WAS MENTIONED AS ONE OF THE PROJECTS ITALY WOULD HELP YUGOSLAVIA CARRY OUT.

Franco-Reich Deal on Aid to Spain Reported

Paris Said to Pledge No Help to Loyalists if Berlin Halts Italy's Demands

PARIS, Jan. 23 (A. P.).—France was reported tonight to have agreed to do nothing to prevent an insurgent victory in Spain, in exchange for a German promise to press Italy into halting the Fascist campaign for slices of France's African empire.

Foreign Minister Georges Bonnet had a surprise meeting with the German Ambassador at Paris, Count Johannes von Welczeck, at the Foreign Ministry tonight, at which the agreement was said to have been reached.

The conference followed closely appeals here by the Spanish Foreign Minister, Julio Alvarez del Vayo, for French help in caring for thousands of refugees and soldiers if Catalonia is overrun by insurgent armies.

Official circles guarded the Bonnet-Welczeck interview with great secrecy, but sources close to the government said an agreement had been reached by which Bonnet would guarantee, in his speech on foreign affairs in the Chamber of

she was to salvage anything out of an insurgent victory in Spain. Diplomats said a French agent could at least work to offset Italian and German influence.

The representation would be similar to that which Great Britain has had at Burgos for some time.

FRANCE MAY SEND ENVOY TO BURGOS

Paris Cabinet Said to Have Approved Move.

PARIS, Jan. 23 (A. P.).—The French Government was reported in diplomatic quarters today to have decided tentatively to send a representative to insurgent Spain. The Cabinet was reported to have received favorably a suggestion by Foreign Minister Georges Bonnet that France have representation at the Burgos Government.

Having decided against action in support of the hard-pressed Spanish Government at Barcelona, the French Cabinet was said to have agreed that France must be represented at Burgos if she is to salvage anything out of any insurgent victory.

30.24-1249
ANY SPECIFIC REQUEST ALVAREZ DEL VAYO MIGHT HAVE ADVANCED WITH REGARD TO ARMED FORCES WAS NOT MADE PUBLIC. ANOTHER QUESTION BELIEVED TO HAVE BEEN TAKEN UP WAS THAT OF HELP IN GETTING MEMBERS OF THE BARCELONA GOVERNMENT OUT OF CATALONIA IN AN EMERGENCY.

WHILE THE SPANISH FOREIGN MINISTER CONFERRED WITH FRENCH FOREIGN MINISTER GEORGES BONNET, DIPLOMATIC QUARTERS REPORTED FRANCE HAD DECIDED TENTATIVELY TO SEND A REPRESENTATIVE TO INSURGENT SPAIN.

THE CABINET WAS UNDERSTOOD TO HAVE RECEIVED FAVORABLY A SUGGESTION BY BONNET THAT FRANCE MUST BE REPRESENTED AT FRANCO'S CAPITAL, BURGOS, IF SHE IS TO SALVAGE ANYTHING OUT OF AN INSURGENT VICTORY.

DIPLOMATS SAID A FRENCH AGENT AT LEAST COULD WORK TO OFFSET ITALIAN AND GERMAN INFLUENCE. THE REPRESENTATION WOULD BE SIMILAR TO THAT WHICH BRITAIN HAS HAD FOR SOME TIME.

ALVAREZ DEL VAYO'S REQUEST THAT FRANCE OPEN THE BORDER TO REFUGEES PUT THE PARIS GOVERNMENT IN A DIFFICULT POSITION.

HOSPITALITY OF THIS KIND WOULD INVOLVE A LARGE FINANCIAL OUTLAY WHICH THE FRENCH WERE IN NO POSITION TO MAKE. REFUSAL, ON THE OTHER HAND, WOULD BRING A TORRENT OF COMPLAINT FROM FRENCH LEFTISTS AND BARCELONA SYMPATHIZERS SUCH AS FOLLOWED THE GOVERNMENT'S DECISION NOT TO OPEN THE FRONTIER FOR SHIPMENTS OF ARMS TO SPAIN.

JAN 24 1939

THE GENERAL OPINION WAS THAT FRANCE WOULD ADMIT CIVILIAN REFUGEES AND THEN GET AS MANY BACK INTO SPAIN AS COULD SAFELY GO AND AT THE EARLIEST POSSIBLE MOMENT.

ARMED FORCES WERE ANOTHER PROBLEM. A PRECEDENT WAS SET IN LATE MARCH AND EARLY APRIL, LAST YEAR, WHEN MORE THAN 4,000 MILITIAMEN OF GENERAL JUAN GALLO'S "1ST DIVISION" WERE ADMITTED FROM THE PYRENEES AND SENT BACK INTO SPAIN A FEW DAYS.

THE SOLDIERS WERE NOT TO RETURN TO EITHER GOVERNMENT OR INSURGENT TERRITORY.

PARIS--FIRST ADD FRENCH X X INSURGENT VICTORY.

DIPLOMATS CLOSE TO THE GOVERNMENT SAID A FRENCH AGENT AT BURGOS AT LEAST COULD WORK TO OFFSET ITALIAN AND GERMAN INFLUENCE IN THE EVENT OF AN INSURGENT VICTORY.

JAN 24 1939

SUCH AN AGENT, THEY SAID, WOULD BE SIMILAR TO THE ONE BRITAIN HAS MAINTAINED IN BURGOS AND COULD INFORM PARIS OF PROBABLE TRENDS OF INSURGENT POLICY.

AT A TIME WHEN FRANCE FEARS THAT ITALY MAY USE THE PRESENCE OF ITALIAN TROOPS IN SPAIN AS A LEVER TO PRESS HER TERRITORIAL DEMANDS AGAINST FRANCE, THESE SOURCES SAID, THE SERVICES OF SUCH AN AGENT WOULD BE OF PARTICULAR IMPORTANCE.

IT WAS BELIEVED THAT CONVERSATIONS WITH GERMANY TO ASCERTAIN BERLIN'S EXACT POSITION IN RELATION TO ITALY'S DEMANDS ALSO WERE ESSENTIAL.

DIPLOMATS RECALLED THAT THE FRENCH-GERMAN DECLARATION OF DEC. 12 BOUND BOTH NATIONS "TO REST IN CONTACT REGARDING ALL QUESTIONS INTERESTING THE TWO NATIONS AND TO CONSULT EACH OTHER IN CASE EVOLUTION OF THESE SITUATIONS SHOULD THREATEN TO LEAD TO INTERNATIONAL DIFFICULTIES."

JAN 24

10:00

CHARLOTTESVILLE, VA., JAN 23--(AP)--HEINRICH BRUENING, FORMER GERMAN CHANCELLOR AND NOW A MEMBER OF THE HARVARD FACULTY, SAID HERE TONIGHT THAT HIS EXPERIENCES OF THE PAST TEN YEARS LED HIM TO BELIEVE THAT, DESPITE NERVOUS DISCUSSIONS OF THE FUTURE OF DEMOCRACY IN THE UNITED STATES, THERE WAS NO REAL CHANCE AT PRESENT FOR ANY OPEN ATTEMPT TO UPSET THE TRUE DEMOCRATIC TRADITION.

BRUENING, WHO GAVE WAY BEFORE THE NAZI UPSURGE, SAID IN THE FIRST OF THREE LECTURES AT THE UNIVERSITY OF VIRGINIA, THAT GERMANY MIGHT HAVE OVERCOME THE DANGER OF FASCISM IN APRIL, 1932, IF PRESIDENT HINDENBURG HAD REMAINED ON CONSTITUTIONAL LINES AND FOLLOWED THE POLICY PURSUED DURING THE TWO PRECEDING YEARS.

HE SAID NO CAUSE FOR PESSIMISM IN A LARGE COUNTRY LIKE THE UNITED STATES WITH ENORMOUS WEALTH, BUT HELD THAT THE SITUATION UNDER COMPLICATED CONDITIONS OF EUROPE IS VERY DIFFERENT.

"PEACE TREATIES WHICH SHOULD HAVE ESTABLISHED A NEW AND LASTING ORDER HAVE CREATED A CHAOTIC STATE, AND THEIR CONSEQUENCES WILL THROW A SHADOW OVER NATIONS AND INDIVIDUALS AS LONG AS IT IS NOT POSSIBLE TO RETURN TO COOPERATION AMONG EUROPEAN NATIONS."

FBI 15725 NH

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BERLIN, JAN. 23-(AP)-CHANCELLOR HITLER'S REICHSBANK HOUSECLEANING, WHICH DEALERS HAVE INTERPRETED AS ADOPTION OF A NEW INFLATIONARY POLICY, BOOSTED THE STOCK MARKET TODAY FOR THE THIRD STRAIGHT DAY.

+47.28

LEADING STOCKS ROSE FROM 3/4 OF ONE PER CENT TO TWO PER CENT OVER SATURDAY'S CLOSING.

GAINS SINCE FRIDAY, WHEN HITLER ANNOUNCED DISMISSAL OF THE CONSERVATIVE DR. HJALMAR SCHACHT FROM THE REICHSBANK PRESIDENCY AND APPOINTMENT OF THE LESS EXPERIENCED WALTHER FUNK TO SUCCEED HIM, RAN AS HIGH AS 6 1/2 PER CENT.

I.G. FARBE LED TODAY'S MARKET WITH A 2 1/2 PER CENT JUMP. DYE TRUST STOCKS WERE UP 3 3/8 PER CENT OVER THURSDAY'S FIGURE. OTHER LEADING STOCK ADVANCES SINCE THURSDAY INCLUDE DAIMLER-BENZ AUTOMOBILES 6 1/3 PER CENT, BAVARIAN MOTOR WORKS 5 PER CENT, AND UNITED STEEL WORKS 2 7/8 PER CENT.

JAN 24 1939

INDUSTRIALISTS AND BANKERS EXPRESSED CONCERN OVER THE MONEY EXPANSION TREND. THEY SAID THEIR FIRST IMPRESSIONS, THAT THE GOVERNMENT WAS EMBARKING ON A NEW POLICY, HAD BEEN STRENGTHENED OVER THE WEEKEND.

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FINANCIAL WRITERS, HOWEVER, CONTINUED REASSURING EXPLANATIONS THAT CHANCELLOR HITLER'S MOVE WAS A "CHANGE OF PERSONALITIES BUT NOT A FUNDAMENTAL POLICY."

JAN 24 1939

THAT SOME CHANGE WAS CONTEMPLATED, HOWEVER, WAS ADMITTED IN THE REASONS GIVEN FOR REMOVAL OF ERNST HUELSE, ONE OF TWO DIRECTORS WHO WENT WITH DR. SCHACHT.

HUELSE FOR FIVE YEARS WAS IN THE BASEL BANK FOR INTERNATIONAL SETTLEMENTS, AND WAS THE REICHSBANK'S CREDIT EXPERT.

HIS DISMISSAL WAS STATED TO BE LOGICAL BECAUSE "A CERTAIN

REVISION OF PAST PRACTICES" WOULD TAKE PLACE IN THE CREDIT DEPARTMENT OVER WHICH HE PRESIDED.

THIS REVISION WILL BE IN THE NATURE OF OPENING UP THE MONEY MARKET FOR PRIVATE BORROWERS. HERETOFORE PRIVATE ENTERPRISE HAS BEEN PREVENTED FROM OBTAINING CREDITS BECAUSE THE STATE HAS BEEN TAKING EVERYTHING AVAILABLE.

JAN 24 1939

JS1245PES

LONDON, JAN 24-(AP)-EUROPEAN SECURITIES MARKETS STAGED FAIR RECOVERIES TODAY AS THE WAVE OF SELLING STARTED YESTERDAY, WHEN BROKERS THOUGHT THE DIPLOMATIC SITUATION HAD BECOME GRAVER, DWINDLED. IN THE LONDON STOCK EXCHANGE THERE WERE SEVERAL GAINS LED BY TRANSATLANTIC STOCKS AS THOSE WHO HAD SOLD SHORT COVERED.

IN THE FOREIGN EXCHANGE MARKET THE NETHERLANDS GUILDER RECOVERED SOMEWHAT AFTER HAVING DRIFTED TO 8.67 TO THE POUND. THE FINAL FIGURE WAS 8.65 3/4.

+30.28

JAN 25 1939

THE PARIS BOURSE OPENED A LITTLE HIGHER BUT LOST PART OF THE GAINS WHEN TRADING TURNED DULL. THE BERLIN BOERSE DECLINED A BIT FROM ITS PREVIOUS GAINS WHEN TRADING TURNED DULL. THE BERLIN BOERSE DECLINED A BIT FROM ITS PREVIOUS ADVANCE BUT THE GENERAL TONE WAS GOOD AND PROFESSIONAL. DEALERS CHARACTERIZED THE MARKET AS "STRONG" IN COMPARISON WITH OTHER WORLD EXCHANGES.

REICHSBANK SHARES LOST 1 1/2 PER CENT AS REPORTS, IMMEDIATELY DENIED, CIRCULATED THAT THEY WERE TO BE EXCHANGED FOR TREASURY BILLS AND DIVIDENDS WOULD BE REDUCED. SHARES IN THE CENTRAL BANK, IT WAS NOTED, HAVE LOST 4 1/2 PER CENT SINCE REICHSFUEHRER HITLER CLEANED HOUSE BY DISMISSING ITS CHIEF, DR. HJALMAR SCHACHT AND TWO DIRECTORS

JAN. 20.

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ADVANCE FOR AMS OF TUESDAY, JAN. 24.)

(ADVANCE) BUDAPEST (CORRESPONDENCE OF THE ASSOCIATED PRESS)--
GENERAL DANIEL FABRY, WHOSE DUTY IS PREPARATION AND MAINTENANCE OF
THE AIR DEFENSE OF BUDAPEST, HAS ESTIMATED THAT 250,000 AIRPLANES
WOULD BE NEEDED TO CARRY AT ONE TIME THE CARGO OF BOMBS NECESSARY TO
DESTROY THIS HUNGARIAN CAPITAL.

AND EVEN SUCH A VAST AIR FLOTILLA AS THIS COULD NOT CARRY OUT
ITS PURPOSE IF THERE WERE ENERGETIC DEFENSE, FABRY OBSERVED. HIS
CONCLUSIONS ARE MADE PUBLIC IN A SURVEY OF AIR DEFENSE PROBLEMS IN
THE BUDAPEST MUNICIPAL REVIEW.

JAN 1939

ALTHOUGH HE INTIMATES THE EFFECTIVENESS OF BOMBERS AND GAS-LADEN
PLANES IS OFTEN MUCH OVER-ESTIMATED, FABRY POINTS OUT THAT A CITY
DOES NOT HAVE TO BE DESTROYED IN A SINGLE ATTACK TO BE CRIPPLED IN
A MODERN WAR. CONSEQUENTLY AIR DEFENSE IS ONE OF THE MOST URGENT
WORRIES OF BUDAPEST, A CITY OF 1,000,000 POPULATION SPREAD OUT OVER
ABOUT 200 SQUARE MILES.

BUDAPEST LIES SO CLOSE TO HUNGARIAN FRONTIERS THAT AIR DEFENSE
HERE IS A MATTER OF SECONDS. A CZECHO-SLOVAK PLANE COULD START FROM
HOME AND BE OVER BUDAPEST IN EIGHT MINUTES, A YUGOSLAV PLANE IN 30
MINUTES, A RUMANIAN IN 40. A PLANE COULD COME FROM AS FAR AS RUSSIA
IN TWO HOURS.

SO VALUABLE ARE SECONDS IN AIR DEFENSE OF THE TIGHT LITTLE COUNT-
RIES OF EASTERN EUROPE THAT SOME MILITARY AUTHORITIES HAVE DISCOUNTED
SOMEWHAT THE EFFECTIVENESS OF COMBAT PLANES IN DEFENSE. THEY NEED AT
LEAST A COUPLE OF MINUTES TO GET INTO THE AIR TO BATTLE THE INVADER.
THIS MIGHT BE MORE TIME THAN THEY WOULD HAVE.

CONSEQUENTLY EMPHASIS IS PLACED ON ANTI-AIRCRAFT CANNON AND
MACHINE-GUNS WHICH CAN START SHOOTING IN 30 SECONDS.

FABRY OBSERVED, HOWEVER, THAT ANTI-AIRCRAFT GUNS ALONE ARE INAD-
EQUATE, THAT FIGHTING IN BOTH SPAIN AND CHINA HAVE ESTABLISHED THAT
GUNS MUST BE SUPPLEMENTED BY SWIFT ATTACK PLANES.

MILITARY EXPERTS HAVE WORKED OUT A MATHEMATICAL FORMULA TO ESTAB-
LISH WHAT IS REGARDED AS ADEQUATE AIR DEFENSE FOR A EUROPEAN METRO-
POLIS. BY THIS FORMULA A CITY OF A MILLION POPULATION, LIKE BUDAPEST,
NEEDS 25 BATTERIES OF ANTI-AIRCRAFT CANNON (100 GUNS), 31 MACHINE-GUN
COMPANIES, 25 SEARCHLIGHT STATIONS, AND FIVE SOUND DETECTION OBSERV-
ATION STATIONS TO GIVE WARNING OF THE APPROACH OF HOSTILE AIR FLEETS.

IN ADDITION TO THIS, FABRY DECLARES, A CITY WOULD NEED AS MANY
COMBAT PLANES AS IT CAN AFFORD.

(END ADVANCE FOR AMS OF TUESDAY, JAN. 24.)

DIAGRAM

CHAMBERLAIN REFUSES TO CHANGE POLICY

London Fears Effect Of
Franco Victory On British
And French Interests

30.24

Italian Press Warns Paris
Against Trying To Save
Loyalists

JAN 25 1939

[By the Associated Press]

London, Jan. 24—As the Italian and German backed forces of Generalissimo Francisco Franco thrust at Barcelona tonight anxiety grew in British Government and opposition quarters over what an Insurgent victory in Spain would mean to British and French interests.

Prime Minister Neville Chamberlain, while having refused to summon Parliament to consider the Spanish situation ahead of its scheduled meet-

ing next Tuesday, agreed to meet a deputation of Labor leaders tonight to hear a new plea for action to help the Barcelona Government.

Premier Stands On Old Policy

Despite arguments of the opposition and some Conservatives that a Franco victory would be a serious threat to Britain and France, Mr. Chamberlain has refused to relax the British non-intervention policy.

Anthony Eden, former Foreign Secretary, warned last night that "if Franco wins, his victory is a foreign victory."

In Rome the Fascist press, reporting Franco "at the gates of Barcelona" warned France against any last-minute effort to save the Spanish Government capital. The newspapers said such intervention not only would be fruitless but would have international consequences.

Confers With War Minister

Mr. Chamberlain conferred today with Leslie Hore-Belisha, War Minister and Sir Samuel Hoare, Home Secretary.

Fresh diplomatic reports on the speed of German rearmament since the peace of Munich deepened official worries that Insurgent success would further Premier Benito Mussolini's and Reichführer Adolf Hitler's expansion plans.

One report credited Germany with boosting her armed strength by eight

new divisions since the September crisis in which she won Czechoslovakia's Sudetenland. This lacked confirmation in Berlin, but the report was regarded as reliable in other diplomatic quarters.

These reported eight divisions, five of which were said to be mechanized, would add some 100,000 men to the German Army generally estimated at from 800,000 to 1,000,000 strong.

[Associated Press Editor's Note—On November 29 the German press disclosed the standing army had been increased from fourteen to eighteen corps and the thirty-six divisions set by the 1935 conscription law raised to fifty-one, including three specially equipped mountain divisions, five armored car or tank divisions and cavalry.]

European Markets Stronger

European markets, frightened into a big selling wave yesterday by a variety of rumors and general nervousness over the international situation,

regained some of their lost ground today.

While discounting many rumors reaching London, British officials failed to conceal their apprehension.

Some quarters expected Germany and Italy soon to make simultaneous moves designed to frighten the democracies into a colonial settlement. Germany thus might join her own colonial claims with Italy's demands for territorial concessions from France.

Others thought Germany might loudly back Italy's claims to distract attention from her own intensified eastward drive toward the Ukraine and

possibly the Rumanian oil fields.

Aids Child Refugees

The Government contributed an unspecified amount of money to aid child refugees in Spain and sent a check for \$100,000 to the International Refugee Commission as an immediate advance.

British officials also announced that in the past week the United States had agreed to send \$300,000 worth of wheat each month to both sides in Spain for six months and that other countries had advanced \$425,000 for relief. Sweden, \$250,000; Norway, \$50,000; Belgium, \$75,000, and Denmark, \$50,000.

BRITAIN PLANS OVERALLS ARMY

6,000,000 Men Involved in Government Program.

WORKERS BETWEEN 18 AND 64

London Keeps Close Watch on Spain—Stocks Rise.

LONDON, Jan. 24 (A. P.).—Great Britain announced plans for an industrial, "overalls army" of more than 6,000,000 men today as the insurgent advance in Spain intensified European concern over what ultimate consequences may arise from the civil war.

The Government through the Ministry of Labor called the scheme one of "selective recruitment," by which workmen between 18 and 64 would in war time be placed in "reserved occupations"—the munitions, defense and public service industries.

The list takes in about half the male working population of the country, but roughly 3,000,000 are over 45. Only about one in five of men aged 18 to 25 is affected. Omitted are most grades of clerical workers, workers in the building trades, warehousemen, porters, packers, storekeepers, entertainment groups, salesmen, hotel and restaurant workers and general laborers.

The Labor Office pamphlet said the men would be reserved for "armaments, agriculture, textiles, essential public services, food manufacture and distribution."

Follows Chamberlain's Plan.

Most of the working population not placed in the reserve group is eligible for military service. The announcement followed Prime Minister Neville Chamberlain's appeal last night for volunteers in a civil defense army.

An additional phase of recruiting is to go forward tomorrow when 20,000,000 copies of the government's "national service handbook" are to be distributed to British householders by the Post Office.

In his speech Mr. Chamberlain said "its scheme is to make us ready for war," but added that it "does not mean I think war is coming."

Ready Reference Guide.

The handbook is a "ready reference guide" for Britons who are not on the "reserved occupations schedule" but who nevertheless may want to volunteer for air raid precautions organizations, auxiliary police, fire brigades, first aid, farm work, Coast Guard or mercantile marine work. It gives details of age limits, service and how to apply for enlistment.

Those on the "selective recruitment" list would be asked by the Government in time of war to stick to their present key public service jobs so that Britain's bitter world war experience, when such workers deserted their jobs to enlist, would not be repeated.

The international picture, meanwhile, was watched intently here. The Stock Exchange recovered ground today as many dealers decided the war scare was premature.

Meanwhile French sources said France might occupy Minorca, strategic Spanish Mediterranean island, if Italy refused to withdraw her troops from Spain after an insurgent victory. (Premier Mussolini has said the troops would be withdrawn when the insurgents had won.) Minorca commands the French communications route to her African possessions.

French Not to Intervene

Paris at the same time was reported to have agreed not to intervene in Spain on behalf of the Barcelona Government, possibly in return for German aid in urging Italy to lessen the clamor for concessions in French colonies.

London was hailing as a more reassuring sign today the cautious offer by Robert Spear Hudson, secretary of the British Overseas Trade Department, to do business with Germany in exchange for political appeasement. Mr. Hudson told the German Chamber of Commerce for the United Kingdom that trade expansion depended on restoration of international confidence and he hoped that "despite all difficulties that seem to beset us at the moment we shall succeed in reaching a reasonable and satisfactory settlement of the problems of Germany and Britain in world markets."

French Deputies Discuss Spain.

PARIS, Jan. 24 (A. P.).—New demands on the French Government to send an envoy to insurgent Spain arose today in Chamber of Deputies debate.

"The interests of France require

neutrality," declared Deputy Xavier Vallat of the Republican Federation. "We should be represented at Burgos for the defense of our interests."

M. Vallat joined in a rising chorus of shouts against any French aid for the wavering Spanish Government forces defending Barcelona now almost within sight of the insurgent armies.

"I am of the same opinion as was (Socialist ex-Premier) Blum when he was in power," the Rightist Deputy said. "He decided then against intervention. He resisted those who demanded planes and guns for Spain, explaining intervention meant war."

The debate, which revolved at the start around Socialist and Communist appeals to save the Spanish Loyalists, appeared to have veered definitely away from this course toward demands for France to salvage everything possible from an insurgent victory.

Bonnet to Speak Thursday.

This was understood to reflect the view of Premier Edouard Daladier's Government that it was too late to help the Spanish Government and that France must soon follow the lead of other European Powers by sending a representative to Generalissimo Francisco Franco's capital.

Foreign Minister Georges Bonnet is expected to conclude the debate with a statement of Government policy Thursday, followed by an address by M. Daladier and a motion of confidence.

Julio Alvarez Del Vayo, Foreign Minister of Loyalist Spain, who carried Barcelona's eleventh-hour appeal for help directly to the French Foreign Ministry yesterday,

remained in Paris. Aides at the Spanish Embassy said he intended to leave shortly to resume his post. Informed persons said that the only result of his conversation with M. Bonnet was agreement of the French Government to permit refugees to come out of Catalonia into Southern France.

Nazis Will Let Polish Jews Sell Their Property

To Permit Emigres to Return and Liquidate Holdings in Germany

WARSAW, Jan. 24 (A. P.).—Jewish sources in Warsaw reported today that the German government had agreed to permit Polish Jews expelled from Germany last October to return to the Reich to liquidate their property.

These sources said the expelled Jews possessing real estate or busi-

nesses in Germany would be permitted to return in group of 1,000 men and would be given until July 1 to liquidate their property.

The Polish government agreed, it was said by the same circles, that families of expelled Jews still living in Germany would be permitted to join their husbands and fathers in Poland.

It was not learned how much money the affected Jews would be permitted to bring out of Germany.

To Re-examine Cases

BERLIN, Jan. 24 (A. P.).—German and Polish authorities have agreed, it was learned today from an authoritative source, to re-examine jointly the thousands of cases of Polish Jews who were expelled from Germany and dumped at Polish border stations in October. At one time 5,000 Jews were held at border points, unable to cross either into Poland or Germany. The exact number still held, mostly at Zbaszyn and Poznan, was not known.

They were gathered up in sudden raids throughout Germany Oct. 28 and taken to the border by German police when new Polish citizenship regulations made it appear many Polish Jews might be stranded in Germany without passports.

The Polish relief committee estimated that 14,500 other Jews were permitted by Polish authorities to cross into Poland.

The understanding now reported reached called for a halt in expulsions from both sides of the border while the two countries reconsidered the cases.

LONDON, JAN. 24 (A. P.)—THE GOVERNMENT TODAY OPENED ITS CAMPAIGN TO FIT MEN, WOMEN AND CHILDREN INTO A VOL-

UNTARY SCHEME TO DEFEND THEIR COUNTRY IF NEED BE. JAN 25 1939

NATION-WIDE DISTRIBUTION OF 20,000,000 COPIES OF THE NATIONAL SERVICE HANDBOOK (CAPS) WAS STARTED. POSTMEN BEGAN PUTTING A COPY OF THE 48-PAGE BOOKLET INTO THE MAIL BOX OF EVERY HOUSEHOLDER.

IN WALES A SPECIAL EDITION WAS PRINTED IN WELSH. SCOTLAND'S EDITION HAD THE SCOTTISH THISTLE ON THE COVER INSTEAD OF THE BRITISH COAT OF ARMS.

THE GOVERNMENT'S PURPOSE WAS TO CREATE A CIVILIAN DEFENSE ARMY WITH A FIRST LINE STRENGTH OF 1,200,000 AND A RESERVE OF 600,000, ALONG WITH A VOLUNTEER "OVERALLS ARMY" OF BETWEEN 6,000,000 AND 7,000,000 WORKERS BETWEEN THE AGES OF 18 AND 64 WHOSE INDUSTRIAL SERVICE IN WARTIME WOULD PRECLUDE JOINING THE FIGHTING SERVICES.

ANOTHER BOOKLET, 32 PAGES, CALLED A "SCHEDULE OF RESERVED OCCUPAT-

BOOKS" AND LISTING KEY INDUSTRY WORKERS EXEMPT FROM MILITARY SERVICE, QUICKLY BECAME A BEST SELLER AT THE ROUGH EQUIVALENT OF A NICKEL.

THE "RESERVED OCCUPATIONS"—SUCH AS MUNITIONS, DEFENSE AND PUBLIC SERVICE INDUSTRIES—COVER ABOUT HALF THE MALE WORKING POPULATION OF THE COUNTRY. MOST OF THE WORKING POPULATION NOT PLACED IN THE RESERVE GROUP WAS ELIGIBLE FOR MILITARY SERVICE.

THE NATIONAL SERVICE HANDBOOK SET FORTH TWO PURPOSES OF THE VAST PREPAREDNESS SCHEME—TO FILL VACANCIES IN THE VARIOUS DEFENSE FORCES, RANGING FROM ARMY, NAVY AND AIR FORCE, TO THE CIVILIAN AMBULANCE CORPS, AUXILIARY FIREFIGHTERS AND FIRST-AID CREWS, AND TO CREATE THE "OVERALLS ARMY".

THE BOOKLET GAVE INFORMATION HITHERTO AVAILABLE ONLY UPON PERSONAL INQUIRY.

THE HANDBOOK LISTED VOLUNTARY CIVIL DEFENSE ORGANIZATIONS OPEN FOR PEACETIME TRAINING OF VOLUNTEERS 14 TO 65 YEARS OLD. NONE OF THESE WOULD BE PAID NOW BUT THE MINISTER OF LABOR EXPECTED SHORTLY TO ISSUE WARTIME RATES OF PAY.

IN CONNECTION WITH THE NATIONAL SERVICE PLAN, SIR JOHN ANDERSON, LORD PRIVY SEAL AND MINISTER OF CIVIL DEFENSE, TOLD A RALLY IN ALBERT HALL TONIGHT, THAT WAR WOULD BRING "INVASION OF OUR COUNTRY, INVASION BY AIR, SUDDEN, SWIFT, PERHAPS ALMOST CONTINUOUS."

ALL EFFORTS TO ACCELERATE MANUFACTURE OF PLANES AND GUNS, HE SAID, WOULD BE "USELESS UNLESS WE HAVE MEN AND WOMEN WHO ARE WILLING TO SERVE AND WHO ARE TRAINED TO, SERVE IMMEDIATELY."

HERBERT MORRISON, A LABOR LEADER AND MEMBER OF PARLIAMENT, SUPPORTED THE CAMPAIGN AT THE SAME RALLY.

"BRITONS MUST REFUSE TO BE EITHER BOMBED OR CAJOLED INTO SLAVERY," HE SAID.

ED720PKS
W DEWITT HACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JAN. 24—THE WORLD TALKS OF THE POSSIBLE END OF THE SPANISH

CIVIL WAR AS INSURGENT LEADER FRANCO DRIVES FIERCELY AT BARCELONA.

ACTUALLY THIS WAR, HORRIBLE AS IT HAS BEEN, IS MERELY A PHASE OF A LARGER INTERNATIONAL SITUATION.

A FRANCO VICTORY WILL STIR A MULTITUDE OF CONFLICTING EMOTIONS IN THE CHANCELLERIES OF EUROPE. HERE IS THE WAY IT WILL LOOK TO THE VARIOUS INTERESTS INVOLVED:

IT PRESAGES, OF COURSE, A TOTALITARIAN REGIME FOR SPAIN—A POSSIBLE NEW ALLY FOR THE ROME-BERLIN AXIS.

TO MUSSOLINI AND HITLER IT WILL MEAN A VAST INCREASE IN POWER, BUT IN DIFFERENT WAYS.

SOME NEUTRAL OBSERVERS IN EUROPE ARE CREDITING GERMANY WITH INTENDING TO EXACT VENGEANCE ULTIMATELY ON FRANCE FOR THE CATASTROPHE WHICH BEFELL GERMANY OUT OF THE WORLD WAR, ALTHOUGH HITLER HAS PUBLICLY STATED HE WANTS NOTHING FURTHER FROM FRANCE. WHETHER THAT IS A CORRECT ASSAY OF THE POSITION OR NOT, THE FACT REMAINS THAT HERR HITLER WILL HAVE SURROUNDED FRANCE IF AND WHEN SPAIN COMES INTO THE FOLD.

THAT WILL PLACE FRANCE UNDER A HANDICAP IN EVENT OF WAR.

MUSSOLINI ALSO WILL FEEL MUCH MORE SURE OF HIMSELF IN DEALINGS WITH FRANCE IF HE HAS AN ALLY ON THE OTHER SIDE OF HER.

BUT THE MATTER OF GREAT MOMENT IS THE INCREASED THREAT BY ITALY TO BRITISH DOMINATION OF THE MEDITERRANEAN ZONE AND THE SUEZ ROUTE TO HER FAR EASTERN POSSESSIONS.

IF FRANCO TRIUMPHS, MUSSOLINI WILL HAVE A STAUNCH FRIEND SITTING RIGHT ON TOP OF THE GATEWAY TO THE MEDITERRANEAN.

HE MAY HAVE ACCESS TO INNUMERABLE PRICELESS SPANISH BASES FOR AIR CRAFT AND FIGHTING SHIPS, ALTHOUGH GEN. FRANCO HAS DENIED THAT SPECIAL PRIVILEGES WILL ACCRUE TO ANY FOREIGN POWER.

MUSSOLINI'S CHALLENGE TO THE MIGHT OF ENGLAND CEASES TO BE A MORE OR LESS ACADEMIC THING, AND BECOMES A STERN REALITY.

BRITAIN IS WORRIED. HER STATESMEN RECOGNIZE THE THREAT TO THE
SO-CALLED "LIFE-LINE OF EMPIRE."

JAN 25 1939

NATURALLY, ITALY'S CLAIMS ON FRENCH TERRITORIES IN THE MEDITERRANEAN
ZONE ARE WRAPPED UP IN THIS SAME PACKAGE.

APART FROM THE ABOVE CONSIDERATIONS, IF FRANCO SETS UP A TOTALITARIAN
REGIME, MESSRS HITLER AND MUSSOLINI MAY HAVE STYMIED THE ADVENT OF A
"RED" GOVERNMENT IN SPAIN.

BERLIN AND ROME HAVE HELD THROUGHOUT THE REVOLUTION THAT THE OLD
MADRID GOVERNMENT WAS LARGELY COMMUNISTIC AND WAS HEADED FOR A SOVIET.
THEY SUPPORTED THIS CHARGE BY POINTING TO THE AID GIVEN THE GOVERNMENT
BY MOSCOW AND THE COMMUNIST PARTY OF FRANCE.

SO FAR AS CONCERNS BRITAIN AND FRANCE, THEY HAD NO GREATER
DESIRE TO SEE A COMMUNIST GOVERNMENT ESTABLISHED IN MADRID THAN DID
THE ROME-BERLIN AXIS. WHEN FASCISM INTRUDED IN THE CIVIL WAR,
HOWEVER, WITH ALL THE OBVIOUS THREATS AGAINST THE TWO DEMOCRACIES,
FRANCE AND ENGLAND FOUND THEMSELVES IN THE UNCOMFORTABLE POSITION OF
BARKING THEIR SHINS NO MATTER WHICH WAY THEY TURNED. JAN 25 1939

POOR SPAIN IS NOT NEAR THE END OF HER ANGUISH, EVEN IF THERE
IS A CESSATION OF FIGHTING AND A DECLARATION OF "PEACE." SO BITTER
ARE THE HATREDS ENGENDERED IN THIS CLASH OF BROTHERS, AND SO DIVERSE
ARE THE INTERESTS INVOLVED ON BOTH SIDES OF THE CONFLICT, THAT THE
WAR LIKELY WILL CONTINUE IN ONE FORM OR ANOTHER.

AND EVEN IF SPAIN COULD SETTLE HER INTERNAL STRIFE, SHE STILL
WOULD BE THE CENTER OF THE CONFLICT BETWEEN THE ROME-BERLIN AXIS
AND THE ANGLO-FRENCH COMBINATION. WHICHEVER WAY SHE BESTOWS HER
FAVORS SHE WILL BE WRONG.

JHS38AES

Masaryk Probe Set By Czecho-Slovakia

Home Country Said To Resent His
American Speeches Against
Munich 30 24

Prague, Jan. 25 (AP)—The Czecho-Slovak Foreign Office has ordered an investigation of statements made by the republic's former minister to London, Jan Masaryk, on his current visit to the United States, it was announced tonight.

The investigation is directed principally against newspaper reports that Masaryk wrote and two addresses he delivered in the United States. The addresses received sharp criticism in the Czech press.

Masaryk said in New York Monday there was little chance for success of further appeasement in Europe by the methods of Munich, which he attacked. "Very soon," he said, "nothing will be left to give away except territory belonging to the great powers."

Masaryk At Peabody Today
Jan Masaryk, former Minister to Great Britain from Czecho-Slovakia and son of the first President of that republic, will talk on "Democracy and the Minorities" at 5 P. M. today at the Peabody Conservatory of Music.

The address will be given under the George Huntington Williams Memorial Lectureship of the Johns Hopkins University.

Eden Points to Spain, Says Britain Must Arm

Lesson of Rebel Victory, He
Says, Is to Prepare for Force

HENLEY-IN-ARDEN, England, Jan. 25 (AP)—The Foreign Secretary Anthony Eden today pointed to the insurgents' victory march in Spain and demanded that the British "spare no effort to make Britain strong."

Eden, speaking before his constituents, cited the extent of foreign intervention in Spain—the thing over which he disagreed with Prime Minister Neville Chamberlain and resigned eleven months ago.

"There is another lesson to be drawn from the present situation," he said. "We live in a world where for main force is the only determining factor."

"In these conditions it seems to me our duty in this country is clear—to spare no effort to make Britain strong."

"That process cannot be carried through too rapidly or too vigorously. The greater our strength and the sooner it can be developed, the better for the peace of the world under present conditions."

"There can be no doubt our diplomacy would be much better placed

the generals must make nearly all the decisions, adopting the Nazi

France Geared To Repulse Any Lightning Blow

Mobilization Speed Doubled
in Belief Barcelona's Fall
Wanted Before Coup
JAN 26 1939

PARIS, Jan. 25 (AP)—The French general staff has nearly doubled the speed of the nation's war-time mobilization machinery to be prepared against any possible lightning attack.

This and other precautionary measures have been taken in view of widely expressed concern lest the Mediterranean situation suddenly come to a head with the expected fall of Barcelona. The calling up of 60,000 reservists for instruction in Italy added to the concern expressed by officials and press alike. Explanations from Rome that only a relatively small number were called and that there was nothing abnormal in the order failed to dispel anxiety.

Nervousness has been manifest also on the stock exchange, where French government bonds have fallen heavily during the last month. Since Dec. 21, two days before the Spanish insurgents started their offensive against Barcelona, 3 per cent rentes had dropped from a quotation of 89 to 81.40; 4 per cent 1917 bonds from 91.95 to 81.75; 4 per cent 1918 from 92.35 to 80.70, and 4½ per cent 1932 from 93.60 to 84.40.

Industries Also Geared Up

Faced with the possibility of renewed Mediterranean demands from Italy, the nation's military leaders were said to have evolved a system to cut down the time required not only for military mobilization but also for mobilization of all industrial facilities. Details of the system were secret.

It was learned that Gen. Maurice Gustave Gamelin, chief of the staff of national defense, had canceled a projected tour of North Africa and was remaining with the Supreme War Council. Vice-Admiral Jean Darian, chief of the naval staff, whom Gameline was to have accompanied, sails tomorrow from Toulon. The French fleet is maneuvering off the African coast.

Preparations have been pushed throughout French territory bordering on the Mediterranean to meet any eventuality which might come from demands for slices of France's colonial empire.

"Le Temps" said today that as soon as Barcelona was taken, and regardless of whether the rest of government Spain held out, the

question of Premier Benito Mussolini's keeping his promise to withdraw his troops from government Spain would come to a head.

"Turning Point" Held Near

"The fall of Barcelona," it said, "will not only be the turning point in the Spanish crisis but it will have profound repercussions on the international situation. The situation demands rapid clarifications if convulsions, perhaps not less dangerous to Continental peace than those of last September, are to be avoided."

The Chamber of Deputies foreign affairs committee, meanwhile, voted to ask the government to take immediate steps to intensify French propaganda throughout the world. This would be accomplished by radio, printed matter, and dispatch of official missions, designed to offset German and Italian propaganda putting France in the light of decadent power.

ITALIANS OF 38 CALLED TO FLAG

60,000 Reservists Are Put
Into Intensive Training.

JAN 26 1939
FRANCE AGAIN IS WARNED

Army Reported Near Genoa Ready
to Sail if Paris Aids Spain.

ROME, Jan. 25 (A. P.).—Italy called to the colors today 60,000 army reservists born in 1901, for training and instruction, and at the same time warned France anew against helping the hard-pressed Spanish Government.

An announcement that a first quota of 60,000 men had been summoned for duty February 1 indicated that more reservists might be called up later.

The announcement did not connect the summons with current tension between Italy and France, in which there has been talk of France occupying the island of Minorca, near Mallorca, on which there is an Italian airbase, in the event of a Spanish insurgent victory. Both islands are in Spain's Balearics, in the Mediterranean.

But foreign military observers remarked that it was unusual to call reservists for their periodic training in winter.

The authoritative Fascist editor, Virginio Gayda, referring to reports that France might occupy Minorca or some part of Spanish Morocco, warned that Italy "could not re-

mainly indifferent to what he said would be "an unprovoked French aggression."

Writing in Il Giornale d'Italia, he predicted that the imminent capture of Barcelona by Spanish and Italian troops would be followed quickly by a drive northward toward the Pyrenees and another drive southward on Valencia. The northern drive, he said, would "free Spanish territory of the menace of French re-enforcements and aid."

Informed Italians had indicated that the reservists summoned today were specialists in certain branches of warfare, including non-commissioned officers. Military observers said that this would explain why men 38 years old had been called, since great changes had been made in guns, tanks, airplanes and other arms since they had their regular term of description eighteen years ago.

Comment From Mussolini.

The Government, in an official comment believed to have been written by Premier Mussolini himself, declared that French fears at having Italian troops on the Spanish frontier were "excessive."

This comment, in Informazione Diplomatica, bulletin of the Foreign Office, was circulated abroad by Stefani, the official news agency.

Army Reported Ready to Sail.

In political circles an unconfirmed rumor was heard that a heavy force of the regular standing army had been concentrated near Genoa, ready to embark for Spain if France intervened in the civil war.

Italians in positions of authority previously had denied men were being called as a precaution against possible French intervention in Spain to save Barcelona. But Italy repeated her warning that French intervention in Spain would result in Italy claiming her "liberty of action."

POLITICAL CIRCLES HEARD AN UNCONFIRMED RUMOR THAT A HEAVY FORCE OF THE REGULAR STANDING ARMY HAD BEEN CONCENTRATED NEAR GENOA, READY TO EMBARK FOR SPAIN IF FRANCE INTERVENED IN THE CIVIL WAR.

HF11SPES

SUCH AN ATTEMPT, AS DECLARED IN THE SPANISH NEWSPAPER GIORNALE D'ITALIA, WOULD MEAN THREE THINGS: JAN 26 1936

*AN UNPROVOKED FRENCH AGGRESSION AGAINST SPANISH TERRITORY; A DIRECT AND OPEN FRENCH INTERVENTION IN THE

SPANISH CIVIL WAR, TOWARD WHICH ITALY IN ACCORDANCE WITH HER LOYALLY-GIVEN PRONOUNCEMENTS COULD NOT REMAIN INDIFFERENT, AND A NEW VIOLATION OF THE MEDITERRANEAN STATUS QVO WHICH THE MEDITERRANEAN STATES AND ESPECIALLY ITALY COULD NOT ACCEPT IN SILENCE.

IT APPLAUDS FRENCH DEPUTY DE XAVIER VALLAT FOR DECLARING IN THE FRENCH CHAMBER OF DEPUTIES THAT FRANCE HAD HELPED

THE SPANISH GOVERNMENT BEFORE ITALY WENT TO THE AID OF INSURGENT GENERALISSIMO FRANCISCO FRANCO. JAN 26 1936

MUSSOLINI RECEIVED KING BORIS OF BULGARIA TODAY FOR WHAT WAS DESCRIBED AS A "CORDIAL CONVERSATION," WHAT THEY DISCUSSED WAS NOT ASCERTAINED.

FRENCH FEARS THAT ITALIAN TROOPS ON THE FRENCH-SPANISH BORDER WOULD BE DANGEROUS TO FRANCE WERE DECLARED "EXCESSIVE" BY INFORMAZIONE DIPLOMATICA, OFFICIAL BULLETIN OF THE ITALIAN FOREIGN OFFICE.

"RESPONSIBLE ROME CIRCLES HAVE FOLLOWED ATTENTIVELY DISCUSSION OF FOREIGN AFFAIRS IN THE FRENCH CHAMBER," SAID THE FOREIGN OFFICE PUBLICATION. "AMONG MANY SPEECHES ONE AROUSED PARTICULAR INTEREST--THAT DELIVERED BY DEPUTY XAVIER VALLAT, A WAR VETERAN RECENTLY DEFEATED FOR THE VICE-PRESIDENCY OF THE CHAMBER, A PLACE THAT WAS GIVEN TO A GENUINE NEGRO.

"VALLAT HAD THE COURAGE TO TELL THE TRUTH ABOUT X X X FRENCH INTERVENTION IN SPANISH AFFAIRS, WHICH WAS DESIRED BY THE POPULAR FRONT GOVERNMENT PRESIDED OVER BY BLUM (SOCIALIST EX-PREMIER LEON

30-24-1257

ELIM) EVEN BEFORE THE REAL OUTBREAK OF THE CIVIL WAR. (ELIM BECAME PREMIER IN JUNE, 1934, ABOUT SIX WEEKS BEFORE THE SPANISH WAR BROKE OUT.)

"IT IS TRUE THAT THE FIRST ITALIAN PLANES WERE SENT TO GENERAL FRANCO (INSURGENT GENERALISSIMO) AT HIS REQUEST MANY DAYS AFTER THE ARRIVAL OF FRENCH AIRPLANES.

"IT IS TRUE AND NOW IS HISTORICALLY DOCUMENTED THAT THE FIRST ITALIAN LEGIONNAIRES DISEMBARKED AT CADIZ (SPAIN) IN THE WINTER OF 1936-37, WHEN FOR SEVERAL MONTHS NUMEROUS SO-CALLED INTERNATIONAL BRIGADES, RECRUITED AND FORMED IN FRANCE, HAD FOUGHT ON THE FRONTS OF CATALONIA AND MADRID."

JAN 26 1939

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"FRENCH INTERVENTION THEREFORE WAS FIRST IN TIME AND FIRST IN AMOUNT OF MEN X X X.

"VALLAT WITH HIS COURAGEOUS SPEECH SERVED THE INTERESTS OF TRUTH AND PEACE. (VALLAT, MEMBER OF THE RIGHTIST REPUBLICAN FEDERATION, SPOKE IN THE CHAMBER OF DEPUTIES YESTERDAY, URGING THAT FRANCE SEND AN ENVOY TO BURGOS, THE INSURGENT CAPITAL, "FOR THE DEFENSE OF OUR INTERESTS.")

JAN 26 1939

"THE SAME CAN NOT BE SAID OF HIS COLLEAGUE IZARD (GEORGES IZARD, SOCIALIST DEPUTY), WHO, "SHOWING THE ESSENTIAL AND DECISIVE PART TAKEN BY ITALIAN VOLUNTEERS IN THE LAST NATIONALIST (INSURGENT) OFFENSIVE ON BARCELONA," INSISTED ON THE DANGER WHICH "THE PRESENCE OF ITALIAN VOLUNTEERS ON THE PYRENEES FRONTIER REPRESENTS FOR FRANCE."

"IN RESPONSIBLE ROMAN CIRCLES IT IS NOTED THAT SUCH FEARS ARE TRULY EXCESSIVE, AND IF ALL THAT WAS INTENDED TO PREPARE FOR FURTHER

30-24-1257

FRANCO-RUSSIAN INTERVENTION IN SPANISH AFFAIRS, ITALIAN DECISIONS ALREADY HAVE ANTICIPATED IT."

JAN 26 1939

ROME, JAN 25-(AP)-ITALY STARTED CALLING UP ARMY RESERVISTS TODAY FOR TRAINING IN MODERN WARFARE AND VOICED A NEW WARNING TO FRANCE AGAINST SENDING TROOPS INTO SPANISH TERRITORY.

A "FIRST QUOTA" OF 60,000 MEN OF THE CLASS OF 1901, NOW 38 YEARS OLD, WAS ORDERED TO REPORT FOR DUTY FEBRUARY 1. THIS FIRST CONTINGENT REPRESENTED SLIGHTLY LESS THAN ONE PER CENT OF THE ESTIMATED 6,700,000 RESERVISTS AVAILABLE. HOW MANY ADDITIONAL MEN WOULD BE CALLED UP WAS NOT DISCLOSED.

ITALIANS SAID PRIVATELY THAT RESERVISTS OF SOME OTHER CLASSES, INCLUDING MEN BORN IN 1913, ALSO HAD RECEIVED A SUMMONS FOR EVENTUAL TRAINING SERVICE. IN POLITICAL CIRCLES THERE WAS AN UNCONFIRMED REPORT THAT A HEAVY FORCE OF THE REGULAR STANDING ARMY HAD BEEN CONCENTRATED NEAR GENOA, READY TO EMBARK FOR SPAIN IF FRANCE INTERVENED IN THE CIVIL WAR.

FASCISTS CHARGED THAT FRANCE AND SOVIET RUSSIA WERE SENDING ARMS, MUNITIONS AND OTHER AID TO "RED SPAIN" (GOVERNMENT SPAIN).

AN ARTICLE IN INFORMAZIONE DIPLOMATICA, BULLETIN OF THE FOREIGN OFFICE, REPEATED A PREVIOUS ITALIAN THREAT TO BACK SPANISH INSURGENTS WITH MORE OF ITALY'S ARMED MIGHT IF FRANCE INTERVENED TO SAVE BARCELONA. THE ARTICLE WAS BELIEVED TO HAVE BEEN WRITTEN BY PREMIER MUSSOLINI HIMSELF.

JAN 26 1939

THE AUTHORITATIVE FASCIST EDITOR VIRGINIO GAYDA INDICATED THE WARNING APPLIED SPECIFICALLY TO ANY FRENCH OCCUPATION OF SPANISH MOROCCO OR MINORCA, BALEARIC ISLAND NEAR MALLORCA WHERE AN ITALIAN

AIR BASE IS SITUATED. FRANCE HAS BEEN REPORTED CONSIDERING SUCH OCCUPATION TO PROTECT HER MEDITERRANEAN SHIP LANES AND HER NORTH AFRICAN TERRITORY.

JAN 26 1939

FRENCH HAVE INDICATED ALARM WHICH ITALIANS OFFICIALLY CALL EXCESSIVE AT HAVING ITALIANS AND SPANISH INSURGENTS ON HER FRONTIERS. THEY HAVE FEARED MUSSOLINI WOULD KEEP A PERMANENT AIR AND NAVAL BASE IN THE BALEARICS DESPITE REPEATED STATEMENTS BY INSURGENT GENERALISSIMO FRANCO THAT NO SPANISH TERRITORY WOULD BE TURNED OVER TO FOREIGN CONTROL.

ON THE ITALIAN SIDE THE ONLY ANNOUNCED MEDITERRANEAN OBJECTIVES HAVE BEEN A SETTLEMENT WITH FRANCE FOR INCREASED ITALIAN RIGHTS IN THE FRENCH PROTECTORATE OF TUNISIA AND A SHARE IN CONTROL OF THE SUEZ CANAL. IN ADDITION THERE HAS BEEN UNOFFICIAL CLAMOR FOR CORSICA, DJIBOUTI AND OTHER FRENCH TERRITORY.

JAN 26 1939

FASCIST AUTHORITIES REFRAINED FROM ANY SUGGESTION THAT THE RESERVISTS CALLED TODAY WERE BEING TRAINED FOR SERVICE IN SPAIN, WHERE ITALIANS AIDING FRANCO HAVE BEEN DESCRIBED AS MOSTLY VOLUNTEERS FROM THE BLACKSHIRT (FASCIST) MILITIA.

ITALIAN TROOPS IN SPAIN HAD BEEN ESTIMATED AT ABOUT 20,000 AFTER THE WITHDRAWAL OF 10,000 IN OCTOBER TO MAKE THE BRITISH-ITALIAN FRIENDSHIP AGREEMENT EFFECTIVE. SINCE THEN FOREIGN MINISTER COUNT GALEAZZO CIANO HAS TOLD THE EARL OF PERTH, BRITISH AMBASSADOR, THAT IF ANY ITALIANS WERE SENT TO SPAIN IN RECENT MONTHS THEY WERE TO REPLACE WOUNDED OR TIRED LEGIONNAIRES.

TONIGHT THE ITALIAN PRESS REPORTED THAT FOUR ARMY CORPS OF BOTH ITALIAN AND SPANISH TROOPS WERE ENCIRCLING BARCELONA. SINCE ITALIANS HAVE SAID FOUR BLACKSHIRT DIVISIONS WERE FIGHTING IN CATALONIA, THEIR TOTAL STRENGTH HAS BEEN ESTIMATED IN PRIVATE CIRCLES AT ABOUT 40,000.

THE ROME NEWSPAPER LA TRIBUNA DISCLAIMED ANY ITALIAN INTENTION TO

GET SOMETHING OUT OF SPAIN, SAYING FASCIST ITALY WAS "PROUD TO HAVE OFFERED A GENEROUS TRIBUTE OF BLOOD AND HEROISM TO AN IDEAL CAUSE."

ITALY, HOWEVER, HAS BEEN REPORTED AS GETTING IRON ORE AND OTHER MINERALS FROM INSURGENT SPAIN. ABLY IN PART BYMENT FOR HER MILITARY ASSISTANCE. THE M BADLY ALIAN ARMAMENT.

DB306PES

Benes, on Way to Teach, Due in New York Feb. 8

Will Be Dr. Butler's Guest Before Trip to Chicago

CHICAGO, Jan. 26 (AP).—Dr. Eduard Benes, former president of Czechoslovakia, will assume his duties as a visiting professor at the University of Chicago on Feb. 20. His academic school was announced tonight after the school had been announced he would sail from Southampton Feb. 2, arrive in New York Feb. 8 and come here Feb. 15.

He will give ten week lectures for undergraduates, conduct a week seminar for advanced students and deliver three papers during the winter semester. He also will participate in the Foundation Institute for International Affairs.

Dr. Benes will be the guest of Nicholas Murray Butler of Columbia University at a dinner on Feb. 13.

Chamberlain to Talk On Foreign Affairs

LONDON, Jan. 26 (A. P.).—Prime Minister Chamberlain is expected to outline the British position on foreign affairs in a speech at Birmingham Saturday, two days before Chancellor Hitler speaks to the Reichstag.

JAN 27 1939
He will discuss international affairs in a radio broadcast tomorrow.

SWANSEA, WALES, JAN 26-(AP)-SIR SAMUEL HOARE, HOME SECRETARY, TONIC
URGED BRITAIN NOT TO HEED EUROPEAN POLITICAL "JITTERBUGS."

"I AM TOLD THAT IN THE UNITED STATES THERE IS A CLASS OF PEOPLE
WHO SIT LISTENING IN HYSTERICAL EXCITEMENT TO WHAT IS CALLED HOT
MUSIC AND WAITING FOR THE FINAL CRASH," SIR SAMUEL TOLD A CONSERV-
ATIVE POLITICAL MEETING.

"AMERICANS IN THEIR FORCIBLE LANGUAGE CALL THEM JITTERBUGS.

"THERE ARE MANY PEOPLE IN EUROPE TODAY WHO SEEM TO BE BEHAVING IN
MUCH THE SAME WAY. THEY SIT LISTENING TO ALL THE HOT MUSIC OF SCARES
AND ALARMS, WAITING HELPLESSLY FOR THE CRASH THAT, ACCORDING TO THEM,
WILL DESTROY US ALL."

THAT, HE SAID, "IS NOT THE WAY TO MEET DANGER." HE APPEALED
FOR DOMESTIC POLITICAL UNITY AND PREPAREDNESS BASED ON THE "STRENGTH
OF DEMOCRACY."

P912PES

BERLIN, JAN 26-(AP)-THE ARMIES OF THE J
STRONGLY EQUIPPED THAN THE FRANCO-BRIT
"DECISIVE SIGNIFICANCE FOR PEACEFUL ST
CRISIS, AN ARMY CAPTAIN WROTE TODAY
REICHSFUEHRER HITLER'S VOELKISCHER B. BACHT.

THE WRITER WAS CAPTAIN THEO VON ZESKA, AN
ARMY COMMAND, WHO, HOWEVER, IS NOT THE REGU
MATTERS IN THE FUEHRER'S NEWSPAPER.

HIS ARTICLE ON "ARMAMENTS OF OTHERS," DID
FIGURES BETWEEN THE FRENCH-BRITISH AND ROME-BERLIN ALIGNMENTS.
IT CREDITED BRITAIN WITH 6,000 REGULAR AND RESERVE FIGHTING PLANES,
FRANCE WITH 5,000 AND SOVIET RUSSIA WITH 9,000. THE SOVIET AIRFORCE,
HOWEVER, WAS DESCRIBED AS ONLY PARTLY MODERN.

IT GAVE THESE ARMY FIGURES:
FRANCE--PEACE, 760,000 INCLUDING COLONIALS; WAR, 4,600,000
PLUS AT LEAST 1,500,000 COLONIALS.

S. "MORE
OF
"DETENLAND"
FICLE IN

OF THE SUPREME
TER ON MILITARY

339
GIVE COMPARATIVE

30.24-1259.

BRITAIN--PEACE, 133,500 REGULARS; WAR, ABOUT 2,000,000.

RUSSIA--PEACE, AT LEAST 1,500,000 MEN EXCLUDING 150,000 "INTERNAL
ADMINISTRATION" FORCES AND 70,000 FRONTIER GUARDS, WAR, ABOUT
11,000,000.

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POLAND BALKS AT CLOSE TIEUP WITH GERMANY

Berlin Reports Warsaw
Prefers To Retain
Neutral Position

Decision Expected To Re-
sult In Shift In N...
Co...
JAN 28 1939

[By the Associated Press]
Berlin, Jan. 27—Poland has declined
to hitch her wagon to the rising Nazi
star, informed quarters said today,
preferring to sit in the traditional
pivotal seat between Germany and
Soviet Russia.

This was said to be the main result
of German feelers put out during the
talks of Col. Joseph Beck, Polish
Foreign Minister, January 5 with
Chancellor Adolf Hitler at Berchtes-
gaden, and by the German Foreign
Minister, Joachim von Ribbentrop, in
his Warsaw visit which ended today.

Temporary shelving of German
action in the Ukraine, the Free City
of Danzig and Memel, involving a
shift in the tendency of Nazi con-
tinental policy, was said to be under-
way, partially as a result of Poland's
attitude and partially for other reasons.

May Turn To Aiding Italy

Germany's next step, it was believed,
would be to determine how far to
back the demands of Italy's Fascists
for "justice" in Africa.

Count Galeazzo Ciano, Italian For-
eign Minister, is awaited in Berlin,
perhaps within a few weeks, for a

Rome-Berlin axis demonstration, when
the colonial demands of the axis
partners are to be discussed.

Persons who ought to know said that,
beyond the general obligation of sup-
port implied in their partnership,
nothing has been agreed upon between
Hitler and Premier Benito Mussolini.

Poland's decision to attempt to hold
a neutral position on good terms with
both Soviet Russia and Germany was
expressed in semi-official descriptions
of conversations Colonel Beck had
yesterday with von Ribbentrop.

Reich Reported Satisfied

A German version said that Ger-
many "understood" Poland's situation
as a neighbor of Russia and was satis-
fied.

Germany and Poland agreed that
"present and future questions concern-
ing the two countries will be tackled
and settled with the idea of safeguard-
ing each country's justifiable inter-
ests," it was said.

Various reasons were advanced for
what was believed to be the pigeon-
holing of the Ukrainian, Danzig and
Memel questions.

One was that Poland's refusal to
strike a deal over them—Poland is
concerned directly with them—
made it inadvisable for Germany to
go ahead.

Another was that a bad financial
situation at home made it impera-
tive for Germany to halt her for-
ward march for the time being.

Still a third was that Mussolini's
desire to have Italy's "natural aspi-
rations" satisfied meant that, for
diplomatic reasons, Germany must
hold her continental ambitions in
abeyance, although she may be able
to couple colonial demands with
Italy's as yet unofficial African
claims.

Hungary Again Hopes
To Obtain Ruthenia

Budapest, Hungary, Jan. 27 (AP)—
Hungarian hopes for annexation of
the entire Carpatho-Ukraine (Ru-
thenia) from dismembered
Slovakia have been revived by the
visit of Joachim von Ribbentrop, Ger-
man Foreign Minister, to Warsaw.

Officials indicated a belief today that
German objections to a common Hun-
garian-Polish frontier are weakening.
(Carpatho-Ukraine, extreme eastern

section of Czecho-Slovakia, lies be-
tween Hungary on the south and
Poland on the north.) 30.29

The project for a common frontier
was balked by Germany in the Vienna
award of November 2, at which
and Germany settled the
Hungarian territorial dispute, but since
then Hungary has joined the Rome-
Berlin-Tokyo triangle.

THE HUNGARIAN PRESS SIGNIFICANTLY BEGAN MAKING CAUTIOUS
REFERENCES TO THE POSSIBILITY OF ANOTHER TERRITORIAL REVISION.
THE NEWSPAPER NYOLC ORAI IZDAS DISPLAYED FOREIGN COMMENT THAT
HUNGARY MIGHT BE PERSUADED TO PERMIT A COMMON BORDER WITH
POLAND, WITH GERMANY ALSO MAKING OVERTURES TO POLAND, THE
BELIEF GAVE HERE THAT SHE MIGHT ALLOW ANOTHER FRONTIER REVISION

France and Britain Give \$37,360,000 to Czechs

Lend an Equal Amount to Care for Refugees

LONDON, Jan. 27 (P).—The British and French governments today signed an agreement presenting about £8,000,000,000 (\$37,360,000) to Czecho-Slovakia as an outright gift, and lending her another £8,000,000 to use in caring for refugees. The agreement was signed at the Foreign Office by Viscount Halifax, British Foreign Secretary; Charles Corbin, French Ambassador, and Dr. Villem Pospisil, Czecho-Slovak financial expert.

Britain made a gift to Czecho-Slovakia of £4,000,000 and France canceled a debt of 700,000,000 francs—approximately equal to the British gift—owed by Czecho-Slovaks to French bankers since 1937. The £8,000,000 loan will be guaranteed equally by the French and British governments.

Czecho-Slovakia actually will get only about £2,000,000 (\$9,340,000) more than she already has received. In response to Prague's request for £50,000,000 after the Munich dismemberment last Sept. 29, Britain advanced £10,000,000 (\$46,700,000). Czecho-Slovak officials were dissatisfied with that loan, however. It was far short of what they asked, and they were not permitted to use the money for reconstruction of their country.

APPEAL TO HITLER SIGNED BY NORMAN

Head of Bank and Masfield Join Peace Move.

LONDON, Jan. 27 (A. P.).—Montagu Norman, governor of the Bank of England, Poet Laureate John Masfield and sixteen other distinguished Englishmen appealed to Reichsfuehrer Hitler by radio today for peace.

The appeal, bearing their signatures, was broadcast in the German language over the Government-controlled British Broadcasting System.

It asked Hitler to "join with us in the supreme effort to lay the specter of war and enmity between the nations."

It was believed to have been designed to influence the German Chancellor's speech to the Reichstag Monday night in celebration of the sixth anniversary of Nazi rule.

Q117

LONDON - 1ST ADD APPEAL X X X OF NAZI RULE. JAN 28 1939

SPECIAL SIGNIFICANCE WAS ATTACHED TO NORMAN'S SIGNING OF THE APPEAL.

HE HAS JUST RETURNED FROM GERMANY WHERE HE SAW DR. HJALMAR SCHACHT ONLY A FEW DAYS BEFORE SCHACHT WAS DISCHARGED AS PRESIDENT OF THE REICHSBANK A WEEK AGO.

THE OTHER SIGNERS WERE:

THE MARQUESS OF WILLINGTON, FORMER GOVERNOR-GENERAL

OF CANADA AND VICEROY OF INDIA

THE EARL OF DERBY

VISCOUNT DAWSON OF PENN AND BARON HORDER, T. O. OF

ENGLANDS MOST NOTED PHYSICIANS:

BARON MACMILLAN,

BARON STAMP, NOTED ECONOMIST,

MR H.A.L. FISHER, HISTORIAN,

G. M. TREVELYAN, HISTORIAN,

LORD EUSTACE PERCY, VICE CHANCELLOR OF DURHAM UNIVERSITY,

SIR MICHAEL SADLER, MASTER OF UNIVERSITY COLLEGE, OXFORD,

DR. VAUGHAN WILLIAMS;

SIR WILLIAM BRAGG, PHYSICIST, AND SIR ARTHUR EDDINGTON, ASTRONOMER.

JAN 28 1939

SIR ARTHUR EDDINGTON, ASTRONOMER,

SIR KENNETH CLARK, DIRECTOR OF THE NATIONAL GALLERY,

"IT IS TIME," THEY SAID, "IF WE ARE NOT TO BE TOO LATE, THAT MEN OF GOOD WILL WHO VALUE THE FRUITS OF CIVILIZATION, WHO HAVE NO HATRED OR SPIRIT OF REVENGE AND WHO DESIRE IN ALL SINCERITY TO LIVE ON TERMS OF FRIENDSHIP WITH THEIR FELLOW MEN IN EVERY COUNTRY SHOULD SPEAK ACROSS FRONTIERS TO THOSE WHO FEEL AS THEY DO IN ORDER THAT THEY MAY USE TOGETHER THEIR GIFT OF HEART AND MIND TO COOPERATE IN PREVENTING A SUPREME CATASTROPHE AND IN BREAKING DOWN ARTIFICIAL BARRIERS OF HATRED BY WHICH WE ARE IN DANGER OF BEING DIVIDED."

JAN 28 1939

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ROME PRESS POOH-POOHS PARIS WARNINGS, CROWDS CRY "DOWN WITH FRANCE"

"Duce's Warrior Italy Will Not Be Halted," One Paper Declares—Students And Fascists Try March On Embassy

Some Foreign Quarters, However, Hold Hope That Mussolini Will Yet Attempt To Achieve Aims By Diplomatic Maneuvering

ROME—Italy keeps silence on reports that Duce and Hitler are about to present joint demands to France, but Rome press jibes at Paris warnings and crowds in street cry "Down with France!" and attempt march on Embassy.

BARCELONA—Insurgent forces push six miles up coast from this captured city and take Badalona, in drive to subdue rest of Catalonia.

[By the Associated Press]

Rome, Jan. 27—The fall of Spanish Barcelona to the Insurgents was believed in foreign circles here today to have brought near the day when Italy would present to France a bill for payment of colonial claims.

Many in the foreign colonies thought Premier Mussolini and Chancellor Hitler would demand appeasement simultaneously, possibly within the next week.

The Fascist press published without comment foreign reports

predicting joint action January 30 when Hitler speaks to the Reichstag.

"We Will Pass," Says Duce

An official statement two weeks ago said the Italo-French issue could not be dealt with until the end of the Spanish war. It was considered that the war had virtually ended with the fall of Barcelona.

Mussolini told Fascists celebrating the victory of the Italian-aided Spaniards last night that "we have passed and we will pass." This was widely interpreted as an indication that he believed the time now was opportune to bring the dispute with France to a

head.

Paris Defiance Pooch-Pooched

Il Popolo di Roma, referring to this concluding phrase of il Duce's speech, said: "The world knows Italy will pass. It will pass over and beyond every 'jamais' both in Spain and outside Spain." The use of the word "jamais"—French for "never"—was an allusion to the declaration of French Foreign Minister Georges Bonnet that France never would yield an inch of territory.

"The warrior and Fascist Italy of Mussolini," Il Popolo declared, "will not be halted by oratorical festivals of Parliament nor by paper games of

newspapers, nor by more or less theatrical but none-the-less ridiculous gestures, nor by phrases hurled for effect at mobs, nor by threats dictated by weakness and fear, nor by slanders which fall back upon those who utter them."

"Down With France!"

A crowd of students shouting "Down with France!" tried today to reach the French Embassy after cheering Mussolini, but was turned back by police.

The students, their ranks swelled by many Fascists, clamored for il Duce under his balcony in the Piazza Venezia until he twice appeared to salute them.

Unable to reach the French Embassy, the throng marched to the two Spanish Embassies in Rome to cheer "free Spain."

The Spanish Insurgents maintain embassies to both the Italian Government and the Holy See.

At Zara, on the Dalmatian coast, students celebrating the insurgent capture of Barcelona paraded past an upturned steel helmet into which they dropped contributions to a fund being raised throughout Italy for the return of Italian war dead from cemeteries in France.

To many Fascists, France has become Italy's No. 1 potential enemy.

Mussolini promoted Brig. Gen. Gastone Gambara, commander of Italian troops in Spain, to the rank of general of division for his part in the conquest of Barcelona, which the Fascists celebrated as their own victory.

Duce May Try Diplomacy

The form in which Italy might press her demands for colonial adjustment was uncertain. Some political observers suggested that Mussolini would present them in diplomatic form. So

demands for concessions in French African colonies have been advanced only by the Fascist press.

It was believed here that Prime Minister Chamberlain urged Mussolini to pursue his objectives through diplomatic channels when he came to Rome two weeks ago. The tone of today's press gave grounds for belief this path might now be followed.

No New Direct Attacks

Direct attacks on France were absent. News of the anti-French protests "On to Paris!" "Corsica!" and "Tunisia!" which the Fascist cheering section raised last night before il Duce.

Il Popolo said only the demonstrators "shouted from time to time the names of the most widely known and most venomous enemies of Fascism."

Italians hailed the Spanish Insurgent victory as a crushing defeat for Bolshevism.

30.24-1261

ALL Rome - Jan 27

THE FORM IN WHICH ITALY MIGHT PRESS CLAIMS FOR COLONIAL ADJUSTMENT WAS UNCERTAIN. SOME POLITICAL OBSERVERS SUGGESTED MUSSOLINI WAS PREPARING TO PRESENT THEM IN DIPLOMATIC FORM. THUS FAR DEMANDS FOR CONCESSIONS IN FRENCH AFRICAN COLONIES HAVE BEEN ADVANCED BY THE FASCIST PRESS.

JAN 28 1939

IT WAS BELIEVED HERE THAT PREMIER CHAMBERLAIN URGED MUSSOLINI TO PURSUE HIS OBJECTIVES THROUGH DIPLOMATIC CHANNELS WHEN HE CAME TO ROME TWO WEEKS AGO. THE TONE OF TODAY'S PRESS GAVE GROUNDS FOR BELIEF THIS PATH MIGHT NOW BE FOLLOWED.

DIRECT ATTACKS ON FRANCE WERE ABSENT, ALTHOUGH BITTERNESS WAS REFLECTED IN PUBLICATION OF NEW SUBSCRIPTIONS TO FIND AND TO BRING HOME THE BODIES OF ITALIAN WORLD WAR SOLDIERS BURIED IN FRENCH SOIL.

JH317AES

ROME SECOND ADD ITALIAN X X X SALUTARY PREMISE."

A CROWD OF 1,000 STUDENTS GATHERED BEFORE THE SPANISH EMBASSY TO THE VATICAN THIS MORNING, CHANTING THE INSURGENT FRANCO'S NAME.

AFTER THE BRIEF DEMONSTRATION, THEY MARCHED AWAY WITH ITALIAN FLAGS SHOUTING "DOWN WITH FRANCE" AND "LONG LIVE FREE SPAIN."

JH717AES

Crowd in Rome Assails France And Tries to Reach Embassy

Police Turn Back Mob of Students—Fascists Join Them in Shouts for Mussolini Until He Comes.

ROME, Jan. 27 (A. P.).—A crowd of students shouting "Down with France!" tried today to reach the French embassy after cheering Premier Mussolini, but was turned

back by police. The students, their ranks swelled by many Fascists, raised a clamor for il Duce under his balcony in the Piazza Venezia until he twice answered by appearing to salute them.

Unable to reach the French embassy, the throng marched to the two Spanish embassies in Rome to cheer "Free Spain."

[The Spanish insurgents maintain embassies both to the Italian Government and the Holy See.]

At Zara, on the Dalmatian Coast, students celebrating the insurgent capture of Barcelona paraded past an upturned steel helmet into which they dropped contributions to a

fund being raised throughout Italy for the return of Italian war dead from cemeteries in France.

To many Fascists, France has become Italy's No. 1 potential enemy. Generalissimo Franco, however, is neutral.

Foreign circles expressed belief that the fall of Barcelona had brought near the day when Italy would present to France a bill for payment of Fascist colonial claims. Mussolini promoted Brig.-Gen.

30.24-1261

Gastone Gambara, commander of Italian troops in Spain, to the rank of general of division, for his part in the conquest of Barcelona, which the Fascists celebrated as their own victory.

Many in the foreign colonies thought that Premier Mussolini and Chancellor Adolf Hitler of Germany would advance demands for appeasement simultaneously, possibly within the next week.

The Fascist press published without comment foreign forecasts of a victory on January 30, when Chancellor Hitler speaks to the German Reichstag.

An official statement two weeks ago said the issue between Italy and France could not be dealt with until the end of the Spanish war. Fascists today considered that the war virtually ended with the capture of Barcelona by the insurgents.

Premier Mussolini told Fascists celebrating the victory of the Italian-aided Spaniards before his palace last night, that "we have passed and we will pass." Fascists widely interpreted this to be an indication he believed the time now was opportune to bring the Italian-French dispute to a head.

Paper Uses French Word.

Il Popolo di Roma, referring to this concluding phrase of the speech, observed that "the world knows Italy will pass. It will pass over and beyond every 'jamais,' both in Spain and outside Spain."

The newspaper's use of the word "jamais"—French word for never—was an allusion to the declaration of the French Foreign Minister, Georges Bonnet, that France never would yield an inch of her territory.

"The warrior and Fascist Italy of Mussolini," Il Popolo declared, "will not be halted by oratorical festivals of Parliament nor by paper games of newspapers, nor by more or less theatrical but nonetheless ridiculous gestures, nor by phrases hurled for effect at mobs, nor by threats dictated by weakness and fear, nor by slanders which fall back upon those who utter them."

[Premier Edouard Daladier, addressing the French Parliament yesterday, declared that French-Italian differences were "racing toward a climax." Foreign Minister Bonnet said a "question of force" might arise.]

Newspapers did not report anti-French shouts "On to Paris!" "Corsica!" and "Tunisia!" which the Fascist cheering began last night in the Piazza Venezia.

Called Blow for Bolshevism.

Il Popolo said only that demonstrators "shouted from time to time the names of the most widely

known and most venomous enemies of Fascism."

Italians hailed the insurgent victory as a crushing defeat for Bolshevism.

Il Messaggero said that "a victory in Spain is a genuine victory for Fascism. All the world has been fully aware that the new ideological conceptions—Fascism and Bolshevism—were opposed to one another on Spanish soil."

"A period of world history had definitely closed with the complete defeat of Bolshevism in Europe; another period began on this salutary day."

The authoritative editor Virginio Gayda charged France with having had "a secret pact" with Loyalist Spain to permit French African troops to pass through Spain to fight for France in any European war but declared the fall of Barcelona had finished "all that."

Paris Silent on Moves.

PARIS, Jan. 27 (A. P.). — The French Government maintained close contact with Great Britain today on the Spanish situation and stuck to its firm policy against Italian encroachment on French interests which won a vote of confidence in the Chamber last night.

M. Daladier was in the steps he would take if Italian influence in Spain were to peril

France's Mediterranean communications. These plans, however, already have been mapped out in secret conference of the Permanent Committee of National Defense, and will be presented to the Cabinet tomorrow.

It was understood they might include joint Anglo-French occupation of the Spanish island of Minorca to counteract the asserted Italian domination of Mallorca—both in the Balearic Islands directly between France and her African colonies.

The French government announced that it was said, to give France control of the strategic mainland possession which Italian troops, if seeking a landing place in Northwest Africa, might use.

Daladier made it clear that France and Britain were co-operating fully to hold down Italian influence in Spain.

MEANWHILE, A THOUSAND MARCHING STUDENTS IN GENOA ATTEMPTED TO REACH THE FRENCH CONSULATE BUT WERE HALTED BY POLICE. WHEN THEY REFUSED TO DISPERSE, FIREMEN USING FIRE-HOSES DRENCHED THEM. THE STUDENTS WITHDREW OUT OF RANGE AND CONTINUED TO CHEER MUSSOLINI AND FRANCO AND TO JEER FRANCE. MANY IN, ETC AS BEFORE

FRENCH (PMS BUDGET)

PARIS, JAN. 27-(AP)-THE FRENCH GOVERNMENT LOOKED TODAY FOR SOME PEACEFUL SIGN FROM THE FASCIST POWERS TO JUSTIFY GOING AHEAD WITH ITS PROPOSAL FOR AN INTERNATIONAL CONFERENCE TO BANISH THE FEAR OF WAR FROM EUROPE.

BOTH PREMIER DALADIER AND FOREIGN MINISTER BONNET ANNOUNCED IN THE CHAMBER OF DEPUTIES YESTERDAY THAT THE GOVERNMENT WAS READY TO CALL AN ECONOMIC AND DISARMAMENT CONFERENCE IF IT FOUND SUPPORT IN OTHER NATIONS.

AT THE FOREIGN OFFICE, HOWEVER, IT WAS SAID NO OFFICIAL CALL FOR SUCH A CONFERENCE WAS ENVISAGED UNTIL THE REACTION TO YESTERDAY'S SPEECHES WAS STUDIED AND INQUIRIES MADE THROUGH DIPLOMATIC CHANNELS.

AN INDICATION OF NAZI AND FASCIST INTENTIONS WAS EXPECTED FROM CHANCELLOR HITLER'S SPEECH BEFORE THE REICHSTAG MONDAY AND PREMIER MUSSOLINI'S SPEECH WEDNESDAY.

DALADIER MADE IT CLEAR THAT FRANCE AND BRITAIN WERE COOPERATING FULLY TO HOLD DOWN ITALIAN INFLUENCE IN SPAIN. HE TOLD HIS OWN RADICAL SOCIALIST PARTY THE ENTIRE CHAMBER THAT FRANCE WOULD ADHERE TO THE POLICY OF NONINTERVENTION IN SPAIN, BUT WOULD NOT CONSENT TO SACRIFICE "EITHER AN ACRE OF LAND OR A SINGLE ONE OF OUR RIGHTS, WHETHER IT BE BY FORCE OR BY JUDICIAL PROCEEDINGS THAT SOMEONE TRIES TO GET THEM."

France Takes First Step Toward Absorbing Tunisia

Tunis, Jan. 27 (AP)—Faced with Fascist demands for Tunisia, France has taken the first step toward absorbing this North African protectorate within her wholly-owned possessions.

For the first time since the French protectorate was established in 1881, a French general has been made Minister of War in the government of the Bey of Tunis. He is Gen. Amedee Blanc, commander of France's armies in Tunisia.

Makes Natives Subject To Service

With him as War Minister, all the Bey's forces will be integrated in the military might of the French empire. In the event of conflict, all Tunisian natives would be liable to military service as Frenchmen.

Officials expected other measures in the future which would end any semblance of independence.

Such action, which Italy would be expected to protest, would place Tunisia's Italians on the same footing as Italians living elsewhere in France and would end the Fascists' legal case for a share in the country's control.

30.24-1263

30.24-1263

THE ITALIAN CONTROLLED PRESS HAS CLAMORED FOR EQUAL RIGHTS FOR ITALIANS WITH FRENCHMEN IN TUNISIA ON THE CONTENTION THAT TUNISIA LEGALLY IS AN INDEPENDENT NATION ALTHOUGH UNDER FRENCH PROTECTION. FRANCE, FEARFUL THAT SUCH RIGHTS WOULD BE AN OPENING WEDGE FOR ULTIMATE ITALIAN DOMINATION OF THIS STRATEGIC MEDITERRANEAN TERRITORY, HAS TAKEN STEPS TO TIGHTEN HER HOLD.

(SINCE LAST NOV. 30, WHEN MEMBERS OF THE ITALIAN CHAMBER OF DEPUTIES RAISED THE TUMULT WITH SHOUTS OF "TUNISIA!" "CORSICA!" AND "NICE!" FRANCE HAS BECOME THE FASCISTS' POTENTIAL ENEMY NO. 1.

(SHOUTS OF "TUNISIA" ANSWERED IL DUCE'S SPEECH LAST NIGHT TO ACCLAIM THE SPANISH INSURGENT CAPTURE OF BARCELONA AND POLICE TODAY PREVENTED A CROWD OF STUDENTS AND FASCISTS IN ROME FROM MARCHING ON THE FRENCH EMBASSY.)

Day For An Accounting Is Near, Rome Papers Say

Rome, Jan. 27 (A).—Italy pressed her anti-French campaign with authoritative press attacks and noisy student demonstrations today in the wake of the insurgents' victories in Spain.

The Fascist mood was that the day is nearer, as a result of the fall of Barcelona, when Italy will present a bill to force payment of colonial claims.

Authoritative Fascists, commenting on an official French offer to call an international conference on the European situation, made it plain any such conference must be, if Italy is to take part, one in which Italy could better her position in the Mediterranean.

Premier Benito Mussolini's attitude long has been that Britain, France, Germany and Italy—the "big four"—of Munich—should settle Europe's problems.

[Associated Press Editor's Note.—The French suggestion of a conference was made by Georges Bonnet, Foreign Minister, in the Chamber of Deputies yesterday when, after solemnly warning Italy to keep hands off the French colonial empire, he said, "The French Government is ready for its part to call a conference, including all peoples having the same desire for peace."

Students Cry 'Down With France'
In Rome today, a crowd of students,

augmented by many Fascists, crying, "Down with France," tried to march upon the French Embassy, but were turned back by police.

The crowd had just come from the Piazza Venezia, where their cheers had twice brought Premier Mussolini to the balcony of his apartments to salute them.

In Genoa a thousand marching students held a similar demonstration directed against the French consulate. Here again police turned them back, but they refused to disperse until firemen drenched them with fire hoses.

Of the French proposal for an international conference the newspaper *La Tribuna* asked whether the experience had not shown the futility and uselessness of such an initiative.

Want Make France Pay

Various newspapers significantly declared France would have to pay for supporting the Spanish Government, thus giving point to official Italian charges that French intervention was responsible for Italy's aiding the insurgents with troops and war materials.

Rome's *Il Lavoro Fascista* said France had suffered three years of serious diplomatic and political defeats in supporting Ethiopia, Czechoslovakia and Government Spain. Now it is time to settle the accounts of these defeats, the paper said.

Italo-Nazi Claims Linked

BERLIN, Jan. 27 (A).—Roberto Farinacci, Fascist Grand Council member, coupled German and Italian territorial demands tonight, declared "international Jewry is preparing for a counter-attack" and served warning that Italy and Germany were "willing to take the gauntlet, but we are united and strong."

In an address at Munich, Farinacci envisaged realization of Germany's colonial aspirations as a consequence of the peace of Munich. He praised his chieftain, Premier Benito Mussolini, as having averted war last September by supporting the "inalienable rights of Germany, Poland and Hungary," who received Czechoslovak territory.

Discussing Italy's territorial demands, Farinacci said that Tunisia, in the possession of France, was a menace to Italy; and that the French Somaliland Port of Djibouti "under French rule is to Italy what Hamburg under foreign rule would be to Germany." Djibouti is the terminus of the railroad outlet for Italian Ethiopia.

Corsica, he continued, was Italian by language, race and geography. The French Mediterranean City of Nice, Farinacci said, had for centuries put itself voluntarily under the protection of the Italian House of Savoy.

CHAMBERLAIN URGES PEACE ON DICTATORS

Prime Minister Says in Speech at Birmingham That It Is Now Time They Made Contribution to Security.

BIRMINGHAM, Jan. 28 (A. P.).—Prime Minister Chamberlain tonight called upon Europe's dictators by implication to make their contribution to world peace. He warned against a danger he said already had been envisaged by President Roosevelt—"A demand to dominate the world by force" which democracies must inevitably resist.

"It is time now that others should make their contribution to a result which would overflow with benefits to all," he said. "Today the air is full of rumors and suspicions which ought not to be allowed to persist."

The Prime Minister, speaking at a dinner given by the Birmingham Jewelers Association, looked ahead to a critical week which may show plainly whether the world is moving toward war or peace.

He paid a markedly warm tribute to Premier Mussolini of Italy. Without his co-operation during the September war scare, he said he did not "believe peace could have been saved." His only reference to Reichsfuehrer Hitler was in a mention of the British-German peace declaration signed at Munich, the day after Czechoslovakia was dismembered.

Refers to People's Desires.

After noting the desire of British, French, Italian and German peoples to live at peace, the Prime Minister added significantly:

"I do not exclude the possibility that these feelings of the peoples may not always be shared by their governments and I recognize that it is with governments and not peoples that we have to deal. Nevertheless, let us cultivate the friendship of the peoples and that can be done by individuals and by traders as well as by more official representatives. Let us make it clear to them that we do not regard them as potential foes but rather as human beings like ourselves with whom we are always prepared to talk on terms of equality, with an

open mind to hear their point of view and to satisfy so far as we can any reasonable demands that they make. We must not conflict with the general rights of others to liberty and justice."

Mr. Chamberlain acknowledged

the existence of widespread fears about the intentions of Europe's totalitarian leaders—fears which he said "ought not to be allowed to persist."

Refers to Napoleonic Wars.

"For peace," he continued, "could only be ended by a challenge which was met by the President of the United States in his New Year message, namely, a demand to dominate the world by force. That would be a demand which as the President indicated and I myself have already declared, the democracies must inevitably resist."

Speaks of Limiting Arms.

"But I cannot believe that any such challenge is intended, for the consequences of war for the peoples on either side would be so grave that no government which has their interests at heart would lightly embark upon them. Moreover, I remain convinced that there are no differences, however serious, that cannot be solved without recourse to war by consultation and

negotiation as was laid down in the declaration signed by Herr Hitler and myself at Munich.

"Let us then continue to pursue the path of peace and conciliation, but until we can agree on a general limitation of arms let us continue to make this country strong. Then, conscious of our strength, avoiding needless alarms equally with careless indifference, let us go forward to meet the future with the calm courage which enabled our ancestors to win through their troubles a century and a quarter ago." This was a reference to the Napoleon wars.

The strain of present day government, he said, could be borne only by "a young fellow like myself."

To his audience Chamberlain admitted that "a certain amount of political tension in international affairs undoubtedly is holding back enterprise."

And, in what was interpreted as an invitation to Hitler to be conciliatory in his Monday speech before the Reichstag, Mr. Chamberlain added: "I feel that it is time now that others should make their contribution to a result which would overflow with benefits to all."

135 Ships in Two Years.

Reiterating the past week's ministerial statements that Britain is rapidly manning her defenses, the Prime Minister said sixty new warships, representing about 130,000 tons, would be joined to the navy during the year ending March 31, 1939. The figure for the year ending March 31, 1940, would be seventy-five ships totaling 150,000 tons, he said.

The deficiencies of last September "have largely been removed," he declared, and aircraft production had been doubled in the last few months.

NIGHT LEAD CHAMBERLAIN

BIRMINGHAM, JAN 28-(AP)-PRIME MINISTER CHAMBERLAIN TONIGHT CALLED ON "OTHERS" TO CONTRIBUTE TO THE WORLD'S PEACE IN WHAT WAS REGARDED AS AN INVITATION FOR REICHSFUEHRER HITLER TO HELP THE APPEASEMENT CAUSE WHEN HE ADDRESSES THE GERMAN REICHSTAG ON MONDAY.

HE STRESSED BRITAIN'S GROWING STRENGTH FOR DEFENSE IN A SPEECH BEFORE A HOME TOWN AUDIENCE OF BUSINESSMEN AND TOLD OF INTERNATIONAL MISGIVINGS OVER THE FUTURE.

HE LIKENED HIS STAND TO THAT OF PRESIDENT ROOSEVELT IN A DECLARATION OF INEVITABLE RESISTANCE TO EFFORTS TO RULE BY FORCE.

"WE HAVE SO OFTEN DEFINED OUR ATTITUDE THAT THERE CAN BE NO MIS-
UNDERSTANDING ABOUT IT AND I FEEL THAT IT IS TIME NOW THAT OTHERS
SHOULD MAKE THEIR CONTRIBUTION TO A RESULT WHICH WOULD OVERFLOW WITH
BENEFITS TO ALL," THE PRIME MINISTER DECLARED. **JAN 29 1939**

"TODAY THE AIR IS FULL OF RUMORS AND SUSPICIONS WHICH OUGHT NOT
TO BE ALLOWED TO PERSIST. 30-24

"FOR PEACE COULD ONLY BE ENDANGERED BY SUCH A CHALLENGE AS WAS
ENVISAGED BY THE PRESIDENT OF THE UNITED STATES IN HIS NEW YEAR
MESSAGE, NAMELY, A DEMAND TO DOMINATE THE WORLD BY FORCE.

"THAT WOULD BE A DEMAND WHICH, AS THE PRESIDENT INDICATED AND I
MYSELF HAVE ALREADY DECLARED, THE DEMOCRACIES MUST INEVITABLY RESIST.

"BUT I CANNOT BELIEVE THAT ANY SUCH CHALLENGE IS INTENDED, FOR
THE CONSEQUENCES OF WAR FOR THE PEOPLES ON EITHER SIDE WOULD BE SO
GRAVE THAT NO GOVERNMENT WHICH HAS THEIR INTERESTS AT HEART WOULD
LIGHTLY EMBARK UPON THEM."

THERE HAVE BEEN FEARS IN SOME QUARTERS THAT HITLER WOULD VOICE
BEFORE THE REICHSTAG COLONIAL OR OTHER DEMANDS WHICH, IN CONNECTION
WITH ITALIAN CLAMOR FOR FRENCH TERRITORY AND SPANISH INSURGENT
SUCCESSES, WOULD HEIGHTEN EUROPE'S TENSION.

HITLER OFTEN HAS USED THE REICHSTAG AS A SOUNDING BOARD FOR

ANNOUNCEMENTS OF HIS AMBITIONS.

EARLIER IN HIS ADDRESS CHAMBERLAIN SAID HE BELIEVED THAT THE
FRENCH, GERMAN, ITALIAN AND BRITISH PEOPLE WISHED TO LIVE ON TERMS
OF FRIENDSHIP AND UNDERSTANDING WITH EACH OTHER AND SETTLE THEIR
DIFFERENCES, IF THEY HAVE ANY, BY DISCUSSION AND NOT BY FORCE.

HE ADDED, HOWEVER: **JAN 29 1939**

"I DO NOT EXCLUDE THE POSSIBILITY THAT THESE FEELINGS OF THE
PEOPLES MAY NOT ALWAYS BE SHARED BY THEIR GOVERNMENTS AND I REC-
OGNIZE THAT IT IS WITH GOVERNMENTS AND NOT PEOPLES THAT WE HAVE TO
DEAL."

CHAMBERLAIN'S ADDRESS, BEFORE THE BIRMINGHAM JEWELLER'S ASSOCIA-
TION, LOOKED AHEAD TO A CRITICAL WEEK WHICH MAY SHOW PLAINLY WHETHER
THE WORLD IS MOVING TOWARD WAR OR PEACE.

IT WAS RELAYED THROUGH FIVE BRITISH BROADCASTING CORPORATIONS
COVERING THE UNITED KINGDOM AND SIX SHORT WAVE TRANSMITTERS REACHING
ALL PARTS OF THE WORLD. A CONDENSED VERSION WAS BROADCAST IN GERMAN
IN A SPECIAL PROGRAM DIRECTED TO CENTRAL EUROPE.

THE ADDRESS WAS THE FIRST HE HAD MADE SINCE HIS JAN. 11-14 MISSION
TO ROME IN WHICH HE AND PR^{EMIER} MUSSOLINI ACQUAINTED EACH OTHER WITH
THEIR VIEWS ON POST-MUNICH PROBLEMS. **JAN 29 1939**

HE PAID TRIBUTE TO MUSSOLINI'S AID IN BRINGING PEACE OUT OF THE
SEPTEMBER WAR SCARE, SAID THAT WITHOUT HIS COOPERATION "I DO NOT
BELIEVE PEACE COULD HAVE BEEN SAVED," AND ANSWERED CRITICS OF HIS
ROME JOURNEY BY DECLARING:

"WE DID NOT GO TO ROME TO MAKE BARGAINS BUT TO GET TO KNOW
ITALIAN STATESMEN BETTER, TO ASCERTAIN BY PERSONAL DISCUSSION WHAT
WAS THEIR POINT OF VIEW AND TO MAKE SURE THAT THEY UNDERSTOOD OUR-
SELVES. X X X WE ACCOMPLISHED THAT X X X"

CHAMBERLAIN TOOK UP POINT BY POINT BRITAIN'S REARMAMENT PROGRAM ✓

30.24 - 1265

30.24 - 1265

AND DESCRIBED THE PROGRESS MADE BY THE ARMY, THE NAVY AND THE AIR-
FORCE, WHICH HE SAID WAS MORE RAPID EVERY DAY.

HE EXPLAINED THAT IN THE YEAR ENDING MARCH 31, BRITAIN WILL HAVE
ADDED SIXTY NEW SHIPS TO THE NAVY. THE ROYAL AIRFORCE, HE SAID, "IS
GOING AHEAD AT AN EQUALLY REMARKABLE RATE."

LAST SEPTEMBER, HE SAID, "EVERYONE KNOWS" THAT "CERTAIN DEFIC-
ENCIES WERE DISCLOSED" IN ANTI-AIRCRAFT DEFENSES. NOW, HE ADDED,
THE POSITION HAS BEEN IMPROVED "NOT ONLY AS REGARDS THE INCREASE OF
GUNS AND ACCESSORIES BUT ALSO IN THE ORGANIZATION OF DIRECTING AND
MANNING THEM."

THE PREMIER REFERRED TO HIS RECENT APPEAL FOR RECRUITS FOR VOLUNT-
ARY CIVILIAN DEFENSE AND EXPLAINED THAT WHAT WAS WANTED WAS MEN AND
WOMEN WHO WOULD AID AS AIR-RAID WARDENS, FIRE FIGHTERS, AND FIRST AID
AND RESCUE WORKERS.

A FIRST ORDER FOR 100,000 TONS OF STEEL FOR AIR-RAID SHELTERS FOR
VULNERABLE AREAS ALREADY HAS BEEN PLACED, HE SAID, AND IN THE NEXT FEW
WEEKS DISTRIBUTION OF THE SHELTERS IS TO BE STARTED.

CHAMBERLAIN ALSO TOLD OF PROGRESS IN PLANS FOR EVACUATION FROM
LARGE CITIES IN CASE OF AIR RAIDS AND SAID A COMPREHENSIVE SURVEY OF
ACCOMMODATIONS FOR CHILDREN AND MOTHERS WAS UNDER WAY.

P751PES

Text of Chamberlain's Address of Warning to the Dictators

By The Associated Press.
BIRMINGHAM, England, Jan.
28.—Following is the text of
Prime Minister Neville Chamber-
lain's address tonight to the Bir-
mingham Jewelers Association as
given out officially:
Once more I find myself in
these familiar surroundings re-
peating the practice of my father

and brother before me, and once
more receiving from the Jewel-
ers Association a welcome no
less cordial than you always gave
to them.
I wish I could find words
adequate to express to you how
deeply I value your support and
good will and how much I am
encouraged and fortified in my
tasks by the knowledge that I
have the sympathy and approval
of so many of my fellow-citizens

in the work I am trying to do.
For I need hardly tell you that
the burden which must be car-
ried today by the head of the
government, who must, in the last
resort, take the responsibility of
every major problem or greater than it
has ever been in our history and
only a young fellow like myself
with a good conscience and a
cast-iron digestion can stand the

strain for very long.
It is a particular satisfaction
to me to reflect that my native
city, which has long played such
an important part in the indus-
trial life of the country, now has,
in these strenuous days, acquired
a new importance by reason of
the contribution she is making to
the defense programs. With her
unrivalled supplies of skilled la-
bor, her wealth of highly equipped
technicians and managers and her
ample resources of power, water
and other necessary services,
Birmingham acts like a magnet
to industrial enterprise and I sup-
pose no town can show a greater
record in recent years of new
factories and extensions of old
ones, very largely in connection
with the rearmament program.

A Task of "Grim Necessity"

It is, of course, not to be ex-
pected that this activity in the
production of the weapons and
equipment of war will remain a
permanent feature of our life.
For the time being it is a grim
necessity. But it is only a pre-
ludium to the task which we
in Europe, who have devoted
ourselves chiefly to the arts of
peace, and I am confident that
those who are responsible for the
direction of industry in Birming-
ham are not losing sight of the
importance to this country of our
export trade, which in the past
has been to so large an extent
the source of our economic and
financial strength.

In a few weeks we shall see the
reopening of the Birmingham sec-
tion of the British Industries
Fair, which this year is to receive
the much-prized honor of a visit
from Their Majesties, the King
and Queen. It was a great dis-
appointment that Their Majesties
had to postpone the visit they
were to have paid to the city last
year and we are all the more
gratified on that account that
they should have given us this
early opportunity of showing our
loyalty and affection to our sov-
ereigns.

If it were not for one considera-
tion, I should be disposed to take
a rosy view of the prospects of
business during this current year,
for until quite lately there were
a number of features, such as a
rise in the price of primary com-
modities and the improvement of
trading in the United States,
which seemed to show that the
recession of last year had passed
its peak.

But I am bound to record that
at the present time there exists a
certain amount of political ten-
sion in international affairs
which may or may not be well
founded but which is undoubtedly
holding back enterprise. That
shows how closely politics are en-
tangled with economics and fi-
nance, and apart from any other

consideration it justifies the ef-
forts which the government are
continuously making to ease this
tension and bring about a better
understanding between the na-
tions.

The proposer of this toast has
said something about the events
of last September which culmi-
nated in the Munich agreement.
A great deal of criticism has
been directed against that agree-
ment and against the action I
took in attempting by personal
contact to obtain a peaceful so-
lution of a problem which very
nearly involved the world in a
catastrophe of the first magni-
tude.

The criticism has come from
various quarters which are per-
haps only unanimous in one re-
spect—namely, that they take a
less favorable view of the ac-
tions of His Majesty's present
ministers than you have been
good enough to indicate. But
there is one feature common to
all critics. None of them has the
responsibility that lies upon me,
and none of them has that full
knowledge of all the circum-
stances that is only open to His
Majesty's Government.

No Regret Over Munich Pact

For myself, looking back, I see
nothing to regret nor any reason
to suppose that another course
would have been preferable. War
has been inevitable. Its effects
will be terrible. But I took part in it, no
matter what the ultimate out-
come may be; it brings so much
loss and suffering even to those
who stand aside and watch the
combat from the ring that it
ought never to be allowed to begin
unless every particable and hon-
orable step has been taken to
prevent it.

That has been the view of this
government from the beginning,
and the Munich agreement,
though it is the most important
illustration of its practical work-
ing, was only an incident in a
consistent, unwavering policy of
peace.

I go further and say that the
preservation of peace last Sep-
tember was only made possible
by the events which preceded it,
by the exchange of letters be-
tween myself and Signor Musso-
lini in the Summer of 1937 and
by the conclusion of the Anglo-
Italian agreement in February of
last year.

Without the improvement in
the relations of this country and
Italy, I could never have ob-
tained Signor Mussolini's coop-
eration last September, and with-
out his cooperation I do not
believe peace could have been
saved.

Defense of Visit to Rome

Quite recently, as you know,
the Foreign Secretary and I paid
a visit to Rome, and for that too
we have been criticized by those
who seem determined to obstruct

and resist every attempt to im-
prove international relations.

There are some who are so
blinded by prejudice and partisan-
ship that they do not scruple to
besmirch and belittle the repre-
sentatives of this country.

They declared before the visit
that we were going to Rome to
surrender British interests, that
we were going to grant belliger-
ent rights to General Franco,
that we were going to betray our
friends and allies in France, and
when we came back without hav-
ing done any of these things they
changed their complaint and they
said it was not worth while to
have made the visit at all because
nothing had come of it.

Evidently, if it is necessary to
please them, we have got our
work cut out over it.

It is not true that nothing came
out of it. We did not go to Rome
to make bargains but to get to
know Italian statesmen better,
to ascertain by personal discus-
sion what was their point of view
and to make sure that they un-
derstood ourselves.

We accomplished all that, and
although there was complete
frankness of speech on both
sides, although we did not con-
vert or attempt to convert one
another, our views on many
subjects were different, yet I can say we came
away better friends than we were
when we went there.

And something more than that
came out of it. From the mo-
ment we entered upon Italian soil
till the moment we left it we
were the objects of the most re-
markable, spontaneous and uni-
versal demonstration of welcome
that I have ever witnessed.

It was a demonstration which
it seemed to me signified two
things. In the first place it
brought out the genuine friendli-
ness of the Italian people for the
people of this country. Nobody
could make any mistake about
that.

Found Italians Want Peace

In the second place it demon-
strated as clearly as possible the
intense interest, the passionate
desire of the Italian people for
peace—a desire which is matched

by an equal feeling in this coun-
try.

That feeling is not confined to
the peoples of Britain and Italy.
You find exactly the same thing
in France. You find it again in
Germany and you find it, I be-
lieve, in every country of the
world.

I do not exclude the possibility
that these feelings of the peoples
may not always be shared by
their governments, and I recog-
nize that it is with governments
and not peoples that we have to
deal. Nevertheless, let us culti-
vate the friendship of the peo-
ples, and that can be done by in-
dividuals and by traders as well
as by more official represent-

atives.

Let us make it clear to them that we do not regard them as potential foes, but rather as human beings like ourselves with whom we are always prepared to talk on terms of equality, with an open mind to hear their point of view and to satisfy so far as we can any reasonable aspirations that they cherish and which do not conflict with the general rights of others to liberty and justice.

In that way alone we shall remove these eternal suspicions that poison the international atmosphere and get back our security of mind and that confidence which is the life blood of successful enterprise.

It is a good rule sometimes to "count your blessings." Any one who does so in this country—whether employer, worker, man or woman—will find that there is very much to be thankful for in the conditions in this country compared with the conditions in most other countries.

We should be glad to see their conditions improved and, indeed, we should be ready to consult with the representatives of other countries to see how best to bring about such a result. But, of course, it is in times of peace alone that attention can be directed to improving the standard of living of the people—war must have the opposite effect—and I am confident, therefore, that all thoughtful people in all countries will join with me in working for the avoidance of war, so that we and they may equally share in the higher wages, shorter hours, better food and better clothes which the development of science and industry has rendered possible.

The Need for Rearmament

I wish I could stop there and turn at once to other fields in which you and we could work together for the benefit of the nations. But there is another side to international relations on which I must say a few words. We cannot forget that though it takes at least two to make a peace, one can make a war. And until we have come to clear understandings in which all political tension is swept away we must put ourselves in a position to defend ourselves against attack, whether upon our land, our people or the principles of freedom with which our existence as a democracy is bound up and which to us seem to enshrine the highest attributes of human life and spirit.

It is for this purpose, for the purpose of defense and not of attack, that we are pursuing the task of rearmament with unremitting vigor and with the full approval of the country.

It has taken us a long time, so low had our defenses fallen in the vain hope that others would follow our example, to get going the machinery that had run down. But progress now is being

made more rapidly every day in all directions. It is now nearly three years since we started on a very large program for rebuilding and modernizing the fleet. To give you some idea of the extent of this program I may tell you that during the twelve months ended on the 31st of next March some sixty new ships with a tonnage of about 130,000 tons will have been added to the navy. And for the ensuing twelve months the addition will be even larger, namely, about seventy-five ships of 150,000 tons.

Aircraft Production Doubled

The Royal Air Force is also going ahead at an equally remarkable rate. Large factory extensions have been made and huge new factories have been or are being erected in different parts of the country. You can see for yourselves what has been done here in the Austin factory and the immense new works being erected by Lord Nuffield. In addition, we are continually increasing our capacity by the extension of subcontracting, and to show you that the results of all this activity are so reserved I may like to say that in the last few months we have actually doubled the rate of aircraft production.

On the recruiting side also good progress is being made, and

whereas in 1937 between April and the end of the year we obtained 9,000 new entrants into the Royal Air Force this year the corresponding number is 25,000.

In regard to the army, I propose only to say a word about the part of our program which is most frequently referred to by critics, I mean our anti-aircraft defenses. Every one knows that last September certain deficiencies were disclosed in these defenses. We were well aware that those deficiencies existed, for we were engaged on a program which was only planned for completion at a considerably later date.

But the program has now been accelerated and the deficiencies which were apparent last September have largely been removed. It would not be in the public interest to give actual figures, but I may tell you that a few days ago I was examining the situation in the course of the next few months, and you may take it that it is very greatly improved, not only as regards the increase of guns and accessories, but also in the organization for directing and manning them.

A few nights ago I broadcast a message to the nation to initiate the recruiting campaign for national voluntary service, and I want to say a few more words on the same subject this evening.

A Call to the Firing Line

It would be superfluous for me

to impress on this audience the need for building up what I may call the fourth arm of our national defense. If we should ever be involved in war we may well find that if we are not all in the firing line we may all be in the line of fire. And in meeting that danger there is a new opportunity of service for the civil population in the various branches of civil defense.

We are not seeking to build up a vast civil defense force to be embodied like a professional army in wartime, relieving the citizens in general of their responsibilities for their own defense. Our task is to find people for certain definite jobs, not to find jobs for the whole of the people.

What we are looking for is men and women who will volunteer now to give their service for certain definite purposes, as air-raid wardens, or fire-fighters, for first aid and rescue parties, or for those services of a more domestic kind which any scheme of evacuation must demand. And we want them to be ready to undergo training now so that they may be able to give that service efficiently if ever the need for it arises.

Of course, the enrollment of volunteers must be done without the provision of a civil defense organization which they are to man, and this part of our task is now well in hand.

We have considerably extended the facilities for the training of instructors in civil defense in the government schools. Steps have been taken to accelerate the production of equipment and supplies and the local authorities are being pressed to overhaul and expand

their own local arrangements for the training of volunteers.

Protection Against Air Raids

Protection against the effects of air raids is another matter which has engaged our urgent attention.

No doubt you have read of the steel air-raid shelters which are to be provided to give protection to those who live in vulnerable areas and cannot be expected to provide for themselves. These shelters will be adequate protection against splinters blast and falling debris. A first order for 100,000 tons of steel for these shelters has already been placed and in the course of the next few weeks we expect to begin the distribution of the shelters in some of the most vulnerable areas.

Further progress has also been made in working out the plans for evacuation from our large, congested cities. If evacuation is to be carried out effectively it must be done in an orderly manner and I think it will be generally agreed that we must consider the children first. Accordingly, the Minister of Health has asked the local authorities con-

cerned to make a comprehensive survey of the accommodations available for the reception of children and, where necessary, their mothers and to ascertain which householders are able and willing to receive them. This work is now proceeding rapidly and meanwhile we are examining the possibility of making use of camps to supplement the other accommodations available.

In all these plans we shall take fully into our confidence the authorities on whose cooperation we are relying and except where matters cannot be made public without prejudice to the national safety we shall disclose fully our revised plans for civil defense to all who would be affected by them.

For an Invincible Defense

I am not afraid of the result of our appeal for voluntary workers. The spirit of service is ever present in our people and it was never stronger than it is today. Our motto is neither defiance nor deference. It is defense and we confidently count on the response of the nation to show our determination to make that defense invincible.

I have devoted the greater part of my remarks tonight to design affairs and defense because these are the subjects which, as it seems to me, are uppermost in the public mind.

But I cannot help once more registering my regret that it should be necessary to devote so much time and so vast a proportion of the revenue of the country to warlike preparations instead of to those more domestic questions which brought me into politics, the health and housing of the people, the improvement of their material conditions, the provision of creation for their leisure and the prosperity of industry and agriculture. None of these subjects is indeed being neglected, but their development is necessarily hampered and slowed up by the demands of national security. Thinking over these things I

recall the fate of one of the greatest of my predecessors, the younger Pitt. His interests lay at home in the repair of the financial system and in domestic reforms. But events abroad cut short his ambitions and reluctantly and after long resisting his fate he found himself involved in what was up to then the greatest war of our history.

Worn out by the struggle, he died before success had crowned our efforts, to which his own steadfast courage had contributed so much. I trust that my lot may be happier than his and that we may yet secure our aim of international peace. We have so often defined our attitude that there can be no misunderstanding about it and I feel that it is time now that others should make their contribution to a result which

would overflow with benefits to all. Today the air is full of rumors and suspicions which ought not to be allowed to persist.

Roosevelt Message Recalled

For peace could only be endangered by such a challenge as was envisaged by the President of the United States in his New Year message, namely, a demand to dominate the world by force. That would be a demand which, as the President indicated and I myself have already declared, the democracies must inevitably resist.

But I cannot believe that any such challenge is intended, for the consequences of war for the peoples on either side would be so grave that no government which has their interests at heart would lightly embark upon them. Moreover, I remain convinced that there are no differences, however serious, that cannot be solved without recourse to any consultation and so I was laid down in the declaration signed by Herr Hitler and myself at Munich.

Let us, then, continue to pursue the path of peace and conciliation, but until we can agree on a general limitation of arms let us continue to make this country strong. Then, conscious of our strength, avoiding needless alarms equally with careless indifference, let us go forward to meet the future with the calm courage which enabled our ancestors to win through their troubles a century and a quarter ago.

British and German—Each to His Taste

LONDON, Jan. 28 (AP).—The settings in which Prime Minister Chamberlain and Chancellor Hitler will make vital speeches this week end are as much in contrast as the political creeds the two men represent.

The "business man" Prime Minister returns to his home town of Birmingham to address the business men and their wives.

The German leader, in uniform, will shout into amplifiers before hundreds of his "heiling" Deputies, also in uniform, when he addresses the Reichstag.

Signal From Mussolini

BERLIN, Jan. 28 (A. P.).—A Fascist grand council member's address, linking German and Italian territories, was interpreted today as a signal to Mussolini's "go ahead" signal to Chancellor Hitler to outline concrete Nazi colonial ambitions before the German Reichstag Monday.

Roberto Farinacci, speaking in

Munich last night, declared "international Jewry is preparing for a counter-attack," warned that Italy and Germany were "willing to take up the gauntlet, for we are united and strong," and envisaged realization of German colonial aspirations as a consequence of the peace of Munich.

He lauded Mussolini as having prevented war because "he supported inalienable rights of Germany, Poland and Hungary" (who were given parts of Czechoslovakia by the Munich conference of September 29 and the Vienna conference of November 2).

Signor Farinacci ridiculed assertions that former German colonies had no economic value and said the Powers holding post-war mandates over them "were so saturated that they did not trouble to exploit the natural resources of their mandates."

He maintained that Tunisia (French North African protectorate) menaced Italy and that "Djibouti under French rule is to Italy what Hamburg under foreign rule would be to Germany." (Djibouti is the Gulf of Aden terminus of the railroad to Italian Ethiopia. Hamburg is a North German port.)

The Cologne newspaper Koelnische Zeitung published a speech by the Nazi district leader, Joseph Grohe, who said:

"The German people are ready to take a war into the bargain because they know that only he who is willing to risk a great stake is able to win handsomely."

He assailed the "few cowards" who, he said, still existed in the Reich and declared the world must realize that Germany would get what it wants because the German people "are strong enough to go and get it themselves."

Not Generally Published

Herr Grohe spoke last Wednesday before representatives of the army, Storm Troops and SS Elite Guards in preparation for a national military fitness drive. The Nazi press generally did not publish his speech.

Propaganda Minister Paul Joseph Goebbels told Germans, meanwhile, to toast a "Germany arisen again" on Monday when the Nazis celebrate the sixth anniversary of their rise to power.

"This land, once plagued and lying humbled, has risen again to world power," he wrote in Herr Hitler's mouthpiece, the newspaper Voelkischer Beobachter, "Germany in these six years has changed its face completely. It can hardly be recognized."

Another aspect of the international situation, which informed persons believed might influence Herr Hitler's speech Monday night, was the belief in responsible quar-

ters that Poland has declined to hitch her wagon to the Nazi star—said to be the main result of talks of Polish Foreign Minister Joseph Beck with Herr Hitler at Berchtesgaden January 5 and of German Foreign Minister Joachim Von Ribbentrop during a visit to Warsaw which ended yesterday.

It was said that German action in the Ukraine, the free city of Danzig and Memel would be shelved temporarily and the tendency of Nazi Continental policy would be shifted, partly as a result of Poland's attitude and partly for other reasons.

It was believed the next German step would be to determine how far to support Italian demands in Africa.

Among the reasons for what was believed the decision to place the Ukrainian, Danzig and Memel questions in the background were: Poland's refusal to strike a deal over them, the financial situation in Germany and Mussolini's desires for the satisfaction of Italy's "natural aspirations"—meaning that Germany, for diplomatic reasons, must hold her continental ambitions in abeyance although she may be able to couple colonial demands with Italy's African demands.

Delay by Rome In Demands on Paris Is Hinted

Gayda Indicates Pressure Will Be Avoided Until Final AN to 29 1939 in

ROME, Jan. 28 (AP).—Virginio Gayda, who often reflects Premier Benito Mussolini's views, indicated today that Italy would refrain from precipitating an immediate crisis over her territorial demands on France.

"Relazioni Internazionali," authoritative Italian foreign affairs review, however, declared that France's refusal to make any concessions to Italy would lead her to war unless she changed that "negative policy."

Both Gayda in "Il Giornale d'Italia" and the "Relazioni Internazionali" indicated Premier Mussolini, contrary to foreign expectations, would raise the question of Italian relations with France only after a final Spanish insurgent victory. Gayda, at the same time, rejected any idea of a four-power conference to end the Spanish

stirre.

"Italian demands do not belong to the policy of coups de main (surprise attacks)," Gayda said. But, he added, it remained to be seen whether British efforts to meet "alarmist maneuvers" with declarations of Great Britain's armed might would not encourage "adventure by war parties."

Warns France on Spain

The Italian people would "rise in arms and cross the frontier" to settle old and new scores, "Relazioni Internazionali" said. If France should occupy the Island of Minorca or Spanish Morocco.

(Joint British-French occupation of the Balearic island off Spain's Mediterranean coast and of Spanish Morocco has been mentioned as a possibility because of the presence of Fascist blackshirts on the nearby island of Majorca and on the Spanish mainland.)

In such a case, the periodical said, Rome and Berlin might settle simultaneously the Spanish question, Fascist demands on France and other European problems. On the other hand, it added, there could be no European collaboration until the "London-Paris entente" forgot about predominance.

Il Duce and Spanish insurgent Generalissimo Francisco Franco exchange congratulatory telegrams on the capture of Barcelona. Franco said he was proud to have the "magnificent Black Shirts" among his troops. Mussolini said the Italian people were "enthusiastic for your superb victory at Barcelona, which now brings nearer the final victory destined to bring to the world the reality of a new Spain, united and strong."

Von Epp Demands Colonies

MUNICH, Jan. 28 (AP).—General Franz Ritter von Epp, Governor of Bavaria and president of the Reich's Colonial Bund, said today it was a "senseless denial of the necessities of life" when Germany's claims for colonies were "identified with an attack on the peace of Europe."

General Epp, in a speech at a theme which many believed would be a part of Adolf Hitler's Reichstag address Monday, said in a speech that Germany had about reached the limit of economic production, except through further intensification of efficiency, and that colonies were an urgent necessity.

He said Germany's war-lost overseas colonies were delivering today a considerable percentage of essential rawstuffs, "not to us, but to those who presently enjoy their use."

"This condition in the long run will be untenable," he said, "especially with the division of the earth which contradicts most brutally the present status of political power, the spiritual strengths of different nations and economic necessities."

"The German colonial demand,

quite apart from the essential sphere of economy, is a question of right and the question of honor. There still exists that which clear-thinking foreign statesmen at Versailles characterized as the 'hindle': guard against any violation and atrocity lies."

NAZIS AWAIT HITLER SPEECH TO REICHSTAG

Der Führer Expected To
Reveal Stand In Euro-
pean Struggle

JAN 29 1939

(By the Associated Press)

Berlin, Jan. 28—Chancellor Hitler, celebrating six years of victory and surrounded by Nazi pageantry, on Monday will tell a waiting world from the Reichstag rostrum where Germany stands in the stubborn European struggle for power.

Great importance is attached to the event because it comes in the very middle of what appears to be a momentary veering of German political interest from eastern Europe to western Europe and Africa.

Britons' Plea Resented

Nazis have not liked what they interpreted as efforts abroad to influence the Führer to take a mild tone. An English peace message signed by eighteen leading Britons and broadcast last night in German from London was scored tonight as an effort to give Germans the impression that "greater Germany and its leaders" are the "source of all the unrest under which the world has suffered for years."

Hitler will speak at 8.00 P. M. (2 P. M., E.S.T.) in the red-draped, flag-bedecked Kroll Opera House to the world's largest Parliament—855 Deputies—on the sixth anniversary of the Nazi Reich, and at 11.00 P. M., he will review from his Chancellery balcony a repetition of a jubilant torchlight parade staged by the Nazis on their hour of victory January 30, 1933.

May Discuss Italian Claims

It is taken as almost a certainty that Hitler in his review of six years

of Nazi successes will refer to the strained relations between Germany and the United States. If indications run true, there will be conciliatory passages in this reference.

Important parts of the speech are expected to be devoted to Germany's support of Italy's clamor for "justice" in Africa, to the victorious march of the Spanish Insurgents, and to the attitude of the French Government in its refusal to open French frontiers to aid the Barcelona Government, which was closely observed here.

Reassertion of Germany's colonial demands also is awaited.

Specific indications as to how far the Führer will support Il Duce are not expected, for a decision on this is understood not to be taken.

Will Be Beflagged

Exactly what the master of Germany will say is unknown, even to those close to him. If he follows custom he will spend most of tomorrow night dictating his speech.

The entire country will be beflagged Monday. The day will begin with a ceremonious reveille in army posts and by Nazi storm troops and elite guard units at 8 A. M.

At 9 A. M. Dr. Paul Joseph Goebbels, Propaganda Minister, will address Germany's youth from a school in Berlin's working-class district.

At 11 A. M., Chancellor Hitler will announce the annual Nazi prizes for literature and science and grant the awards.

The

editors. He belongs to the chosen few summoned to Munich recently to spend an evening with der Führer recently in connection with the annual November-Putsch exercises.

He represents the younger generation—the pugnacious youths who clubbed together in nationalistic "Bunds" in the '20's before they were drawn into the Hitler movement.

Whether he spoke authoritatively or was indulging merely in wishful thinking is a matter of conjecture.

It Started Over Memel

The fact is that on many an occasion his views—startling at times—reflected what was being carefully prepared in highest circles.

It may, therefore, be illuminating to the American reader to record the conversation between this aggressive exponent of the younger National Socialist following of Adolf Hitler and two members of the Berlin staff of the Associated Press.

It started over a casual question whether the annexation of Memel was still contemplated now that the Lithuanians are making every concession of autonomy that the Memellanders demand.

"Of course we want Memel, and Lithuania, too," the editor replied without a moment's hesitation. "We have never made any secret of that."

"But during the recent campaign for the Memel Landtag the demands of the Memellanders centered about the carrying out of the Memel statute," he was reminded.

With a derogatory gesture, the editor swept this remark aside as he continued:

"Before elections things always look different. Besides, the statute doesn't concern the Memellanders either. They weren't asked about it when it became effective."

"But by what right do you claim Lithuania?"

By Right Of Strength

"By the right of the strong and the able," was the editor's self-confident reply as his jaw snapped determinedly. "Germany in the past has always ruled Europe, except only for a brief period."

"She now has the right to do so again."

"Even when there were two Germanys—the Deutsches Reich and the Austro-Hungarian Empire—it was in fact Germany ruling Europe. The Czechs, the Croats, the Hungarians, the Bosnians, the Slovaks, the Ruthenians—all were ruled by the German element."

"And it is the duty of every German wherever he may be to make the other peoples play according to the German fiddle."

The two Americans pointed out how difficult it was under these circumstances for foreigners to believe

"But he should also be a loyal citizen in the country of his adoption. That is, as concerns Europe, his duty is to insist that the country in which he lives shall do nothing contrary to German interests."

"If the Government under which he lives embarks upon an anti-German course, he must join the opposition."

"Then do we understand you right," the Americans queried, "that a Transylvanian German, for instance, who is a citizen of Rumania, must think first of German interests?"

"Why certainly," was his rather surprised answer.

"Rumania as the less important nation must dovetail her policies into those of the Greater Reich, and only as she does so does the Transylvanian German owe the Rumanian Government loyalty."

The Americans next asked how this viewpoint of domination over others jibed with the Nazi doctrine of self-determination for nations.

"The Lithuanians, for instance, to govern themselves," the editor conceded. "Europe must be ruled by Germany in the same manner, say, in which the United States rules over the little Central American states."

"These states, too, maintain their own governments. But Washington is their real boss, and the North Americans living in these little states have the say."

BERLIN, JAN 28—(AP)—THE GERMAN OFFICIAL NEWS AGENCY, DNB, ANNOUNCED

TONIGHT THAT CZECHO-SLOVAKIA HAD INFORMED THE GERMAN GOVERNMENT THAT NAZIS IN CZECHO-SLOVAKIA MAY CARRY ON THEIR ACTIVITIES THERE ACCORDING TO DIRECTIONS RECEIVED FROM NAZI HEADQUARTERS WITHOUT HINDRANCE.

PD31PES

Germany's "Mission" To Rule

By LOUIS P. LOCHNER

Associated Press Berlin Correspondent

Berlin, Jan. 28.—Germany has the mission to rule over all Europe. That has been her role for a thousand years, barring only about a century. That rôle she is destined to resume under the leadership of National Socialism."

The man who spoke thus grandiloquently is in the forefront of Nazi

What Of Memel Statute?

"But the Lithuanians are now fulfilling the terms of the Memel statute to the letter," he replied, "and I am not interposing."

"Memel statute?" was the reply. "Of what concern is the Memel statute to us? We never signed it. We were not consulted about it. It doesn't exist for us. It concerns solely the Lithuanians and the great powers that guaranteed it."

the admonition to the Germans outside of the Reich, as proclaimed year in year out by the Federation of Germans Living Abroad, to be loyal citizens of the state in which they happen to live.

"There's no contradiction in that," the editor contended. "Of course, blood comes first and a German must always remember to be a German before he is anything else."

Objections that old, cultural European nations might not like to knuckle under to Germany were met by a derisive shrug of the shoulder.

"They'll find a way," he said. "They'll find a way to get their products to 80,000,000 Germans. They can have local and cultural autonomy. They needn't worry about foreign policy, for Germany will take care of that for them. Then why shouldn't they be happy?"

Gayda Praises Chamberlain, Assails Roosevelt And France

Fascist Editor Says President's "Intemperance" Is
Contrary To Spirit Of British Premier's Latest Speech

Rome, Jan. 29—Virginio Gayda, Fascist editor, today praised British Prime Minister Neville Chamberlain's policy of appeasement, holding it up in contrast to what he called French intransigence and President Roosevelt's "drum-beating, alarmist policy."

Gayda, who often has access to Premier Benito Mussolini's own views before writing his editorials, declared President Roosevelt's "intemperance" was contrary to the spirit of Chamberlain's speech at Birmingham, England, last night and accused France of showing little tendency of following the British in support of territorial demands.

Count On German Support

The editor's expressions in *La Voce d'Italia* came as Italians remained outwardly confident that Germany would back Italy's demands on France when the time comes to press them.

They awaited some word from Chancellor Adolf Hitler tomorrow in his Reichstag speech which would put him on record.

In diplomatic circles Hitler was expected to give Mussolini the benefit of benevolent neutrality until there is a sharpening of a crisis and then aid him if necessary.

Actual Demands To Wait

Italy's actual demands on France, Fascists indicated, were marking time until Spanish Insurgents, which include many Italian troops, have occupied Catalonia up to the French border.

Justifying Italy's aspirations in Africa and the Mediterranean, Gayda said, "dissension between the 'haves'

and the 'have-nots' is almost a permanent fact of human history."

"When has the selfishness of those with large possessions ever adjusted itself to the needs of those with insufficient possessions?"

"There are between nations reasons for a class struggle more evident and more urgent than those acting within nations. It is singular that democracies are the last to understand especially to justify this."

Gayda said Chamberlain's speech "clear, honest and willing."

"Nobody in Italy," he said, "can think of discouraging this tendency of the British Prime Minister to seek a definite peace formula for Europe with good will and negotiation."

Refers To Alarmist Policy

"Contrary to the spirit recommended in the Birmingham speech is the drum-beating, alarmist policy, which, to justify those great armaments on both sides of the ocean, seeks to pour on young nations still excluded from equality of rights and world position

perennial suspicion of aggressiveness and non-existent plans of world dominion which President Roosevelt sought to revive with customary intemperance in his unhappy New Year's message," Gayda wrote.

He intimated that if Italy hoped Britain would take their side in the territorial dispute with France.

"Italy has nothing more to ask of England," he said, "except an understanding of certain vital problems which do not concern her. And nothing, therefore, should henceforth divide Italy and England when she succeeds (Continued on Page 3, Column 2)"

in preserving herself from the... pressure of other powers which oppose Italian and German rights, relying on so-called 'solidarity in any trial' with Great Britain."

Blames Tension On France

France's refusal of any concessions to Italy even before negotiations, Gayda declared, was "the primary cause of that political tension which worries the British Prime Minister and justifies in his eyes his policy of big armaments."

Mussolini was expected to add his voice to a week of significant speech-making in Europe when he reviews 20,000 Italian troops Wednesday. They are in Rome to hear his tribute to their 1,473 dead and 5,455 wounded in Spain on the sixteenth anniversary of formation of the Fascist militia.

Il Popolo di Roma, commenting on Mr. Chamberlain's speech, said, since agreement on limitation of armaments would be impossible perhaps for many years, the British Prime Minister's

statement meant England would continue to "arm herself beyond measure."

French Hopes In Spain Denounced

La Stampa, of Turin, denounced French hopes of ingratiating themselves with General Franco by lending him funds for reconstruction.

"Franco has a precise economic program which tends to the attainment of more and more freedom from international plutocratic slavery which was not one of the least of reasons for Spain's decadence in the last century," the paper said.

The *Turin Gazette del Popolo* asserted that in the Italian view this was no time for a four-power conference, like Munich, to settle Spanish and Mediterranean problems. Such a conference, the paper suggested, was proposed in order to "clip Franco's victory."

"Nationalist Spain first must become settled and must feel sure of herself and her destiny and then it can be seen if and what conference needs to be called," the paper added.

French Protest Italy's Demands

MODANE, France, Jan. 29 (AP).—Thousands of Frenchmen carrying flags and headed by bands paraded through this little town, fifteen miles from the Italian frontier, today protesting against Italian demands for French territory. They carried banners reading: "Here begins the territory of liberty" and "the French colonial empire will remain French."

HITLER TO GIVE CLUE TO POLICY IN TALK TODAY

Moderate Circles In Berlin Doubt Prospect Of Upheaval This Year

Paper Announces Der Führer Will Support Italy's Territorial Claims

[By the Associated Press]

Berlin, Jan. 29—Adolf Hitler today shaped a speech to which an anxious world will listen for a clue to how he intends to use the power that has made Nazi Germany a dynamic factor in Europe's destiny.

The first Greater German Reichstag will provide a background of triumph and accomplishment for the Führer when he addresses it tomorrow on the sixth anniversary of National Socialist rule in Germany.

Berlin was decorated with red-white-and-black swastika flags and deputies were arriving from all corners of the nation to celebrate bigger, stronger Germany's rebirth as a continental power.

Hitler was expected to speak for more than two hours on domestic and world affairs, starting soon after the Reichstag convenes at 8 P. M. (2 P. M., E.S.T.).

Says Prophets Will Be Fooled

Moderate circles predicted, however, that Germany's new power would bring no upheaval during 1939. The *Frankfurter Zeitung*, which often reflects calmer Foreign Office views, said "calamity prophets whose voices pour in on us from many lands fool themselves, as they so often have done."

"We believe it to be a year of hard but peaceful and constructive develop-

ment," the newspaper predicted, "despite inevitable clashes of power. Certainly that will be the German intention."

Foreshadowing what Hitler may announce concerning Nazi backing for Italian territorial demands on France, the *Zeitung* recalled Premier Benito Mussolini's acceptance of Germany's annexation of Austria last March 13 and his aid at Munich which gave Germany Czecho-Slovakia's Sudetenland last September 29.

Predicts Support For Italy

"Germany," it said, "will stand behind Italy with the same firmness that Mussolini gave his unconditional support to the Reich's justifiable and, therefore, realizable aims."

The contents of the Führer's speech were carefully being kept secret. But much, doubtless, will be dedicated to summarizing six years of Nazidom with special emphasis on 1938, which Nazis call "the greatest year in Germany's history."

That he will say something about the speech of Neville Chamberlain, British Prime Minister, last night at Birmingham, England, was taken for granted. The German press accused Chamberlain of not being "very clear" in the address in which he said peace could be endangered by an attempt to rule the world by force.

A similarity between Mr. Chamberlain's statement and that of President Roosevelt's January 4 message to Congress, Field Marshal General Hermann Wilhelm Goering's *Essener National Zeitung* said, "permits the conclusion that this conception has been fairly accurately laid down in diplomatic negotiations between the two countries."

Discusses American Attitude

"How far the American Government has tied itself down to such a definition may, however, not become known because of American public opinion," the newspaper added.

There were some rumors Hitler might announce prolongation of the German labor service term from six months to one year, making a total of three years for labor and military services together.

Austrians, Sudetenlanders and Prussians will sit together for the first time in the Greater German Reichstag. Dr. Arthur Seyss-Inquart, Governor of

Austria, who played a leading role in the Anschluss, and Konrad Henlein, the Sudeten Führer, will be present.

This first session of a new Reichstag will be the last of the improvised chamber in the Kroll Opera House. Hitler has ordered the Reichstag building, gutted by fire shortly after the Nazis came to power in 1933, refitted for the Deputies.

S. S. Troopers To Line Streets

The members of the Reichstag will ride to the opera house tomorrow through lines of S. S. troopers, the Führer's elite guard, reminded of Germany's reborn glory by this proclamation from Marshal Goering, No. 2 Nazi:

"On January 30, 1939, the greater German Reich stands erect amid the world, firmly knit, a steel block of inner strength and cohesion."

"Free is the country, free are 80,000,000 people, free are our rivers, broken are the shackles of the reparation system."

"The honor and independence of the nation are safeguarded by the party and the new German defense power on land, at sea and in the air."

"Through the strength of the joyful symphony of German labor."

Poke Fun At Democracies

Reflecting the proud, confident spirit, Nazi writers poked fun at Europe's democratic countries for under-estimating the Nazi movement. The *Westdeutscher Beobachter*, an official Nazi party organ in the Rhineland, said:

"It was an incalculable chain of errors which has brought France and England since 1933 to the point where they stand today."

"In remarkable ignorance of the National Socialist movement, Franco-British policy since 1933 has been built up exclusively on the thesis that 'Nazi rule' in Germany was an episode whose certain collapse was only a question of months or years."

"The fact that today, the sixth anniversary of our seizure of power, the greater German Reich has become absolutely the leading power of continental Europe and by far the strongest military power of the world, could not have been thought possible, even in their dreams, by any of these famous democratic statesmen."

British And French Fear Hitler Will Back Il Duce

London, Jan. 29 (AP)—An uneasy Europe looked today to Adolf Hitler to throw some light on the next moves of the Rome-Berlin axis as the Continent entered its most momentous week since the outbreak of the Spanish civil war.

Hitler's address to the Reichstag tomorrow was expected to tell whether he would put his army of 1,000,000 or more men behind the imperialistic dreams of a reborn Germany and its resurgent partner, Fascist Italy.

His appearance amid the panoply of a celebration marking Nazism's sixth anniversary of its rise to power was the headline event of a week which also included addresses by Ne-

ville Chamberlain, British Prime Minister, and Premier Benito Mussolini of Italy.

Mr. Chamberlain will review the international situation Tuesday in the House of Commons, when it reassembles for its first meeting since December 22 and il Duce will address his Black-Shirt troops Wednesday.

Britain and France, encouraged by recent expressions of confidence by their own statesmen, nevertheless feared Hitler would use his speech to voice support of Italian claims for French territory as well as demand a colonial settlement for the Reich.

Britain Has Closed Gaps

Despite Mr. Chamberlain's conciliatory speech at Birmingham last night, Britain has let Germany know that she has closed many of the gaps that existed in her defenses during the September crisis over Czecho-Slovakia.

The British and French have stressed the invulnerability of their empires against any possible complications with the Rome-Berlin axis over Insurgent successes in Spain.

Recent incidents in the Spanish civil war and especially the timely indication that it might sell planes in large numbers to France were looked upon as moderating factors.

Will Affect Il Duce's Attitude

Mr. Chamberlain was believed to have purposely moderated his tone at Birmingham last night so as to be able to review the entire international situation before the House of Commons after Hitler speaks.

In the event Hitler fails to give Mussolini full backing for his territorial demands against France, il Duce was expected to moderate his stand. It was not believed the Italian chieftain was prepared to try an isolated war in pursuance of them.

BERLIN--FIRST ADD GERMAN X X X STATESMEN.

HITLER TONIGHT COULD CONTEMPLATE SIX YEARS IN WHICH HE GREW FROM A DERIDED MINORITY LEADER TO A FIGURE TO WHOM STATESMEN OF THE WORLD COME TO LEARN HIS WILL.

WITHIN SIX YEARS HITLER HAS BURST THE SHACKLES OF VERSAILLES, REARMED GERMANY TO THE TEETH, TURNED HIS BACK ON THE LEAGUE OF NATIONS AND HELPED WELD THE ROME-BERLIN AXIS.

HE HAS MADE PEACE WITH POLAND, HIS OLD EASTERN ENEMY; ADDED THE SAAR VALLEY, AUSTRIA AND SUDETENLAND TO A RENASCENT, GREATER GERMANY. HE HAS MADE THE FREE CITY OF DANZIG AND MEMEL SAFE FOR NAZIISM AND MADE GERMAN THE ECONOMIC MASTER OF THE BALKANS.

HE HAS STARTED CLAMOR FOR RETURN OF GERMANY'S WAR-LOST COLONIES, CONCLUDED AN ANTI-COMINTERN PACT WHICH NOW BINDS GERMANY, ITALY, JAPAN AND HUNGARY.

GERMANY'S FAR-FLUNG "NIGHT OSTEN" -- MARCH TO THE EAST -- HAS BEEN PARALLELED BY PROJECTS OF SUPER-HIGHWAY CONSTRUCTION AND MONUMENTAL ARCHITECTURE.

WITHOUT FOREIGN EXCHANGE WITH WHICH TO BUY NEEDED RAW MATERIALS ABROAD, NAZI GERMANY EMBARKED IN 1936 ON A FOUR-YEAR-PLAN OF SELF-SUFFICIENCY UNDER FIELD MARSHAL HERMANN WILHELM GOERING, HITLER'S ENERGETIC, DETERMINED LIEUTENANT.

PRODUCTION HAS BEEN RATIONALIZED, MUCH WASTE ELIMINATED, MANUFACTURE SPEEDED UP, LABOR TAUGHT TO WORK MORE INTENSIVELY AND FOR LONGER HOURS.

THE NATION HAS LEARNED TO PULL ITS BELT STEADILY TIGHTER AND TIGHTER THE STATE HAS BECOME EVERYTHING. NAZI PHILOSOPHY SUBORDINATES EVERY INDIVIDUAL TO THE PARTY'S "WELTANSCHAUUNG" -- WORLD OUTLOOK.

PRIVATE ENTERPRISE HAS BEEN TAKEN OVER MORE AND MORE BY THE STATE. THE PUBLIC DEBT HAS CONTINUED TO PILE UP. LATEST FIGURES INDICATE A FLOATING DEBT OF 4,713,700,000 MARKS (ABOUT \$1,178,425,000) AND A LONG TERM INDEBTEDNESS OF 19,139,700,000 MARKS (ABOUT \$4,784,925,000).

ANTI-SEMITISM HAS BEEN PURSUED RELENTLESSLY TOWARD A GOAL OF A

30.24-1269
"JEW-FREE" GERMANY UNTIL JEWS HAVE BEEN REDUCED TO A GHETTO-LIKE EXISTENCE.

UNDER NAZIISM, THE UNIFICATION OF GERMANY HAS BEEN ACHIEVED TO A DEGREE THAT WAS BELIEVED IMPOSSIBLE.

FREE SPEECH, FREE PRESS AND FREE ASSEMBLY DO NOT EXIST.

ALL POWER STEMS FROM JOSEPH GOEBBES WHO IS CHIEF EXECUTIVE, CHIEF LEGISLATOR, CHIEF JUSTICE AND CHIEF PROSECUTOR.

TO THE ARDENT NAZI HE IS EVEN MORE. HE IS A GERMANIC SAVIOR WHOSE TEACHINGS ARE DESTINED TO BECOME A GERMAN BIBLE OF THE FUTURE.

ED341PES

Hitler Pledges Aid to Italy in War Asks Colonies, Resents U.S. Slurs

Repudiates Interference By Foreign Powers In
Internal Affairs Of Germany—At-
tacks Secretary Ickes

Tells Reichstag Europe Cannot Rest Until Jewish
Question Is Settled—Forecasts Struggle
For Export Trade

Berlin, Jan. 30—Adolf Hitler tonight pledged German support for Italy in any war against her, demanded return of Germany's pre-war colonies, and warned the United States to keep her hands off German trade with South America.

To a world tensely waiting for an indication of how he would next use his power and whether Germany would support Italian claims against France, Hitler declared Germany and Italy were "determined to give common support to common interests."

His speech was regarded by Hitler's followers as firm but conciliatory. Germany's economic difficulties figured large in the

address and were regarded as having had a strong influence on its moderate tone.

Gives Stand On Italy

Regarding Italy, he said:

"There is no doubt that a war against the Italy of today launched for no matter what motive will call Germany to the side of her friend."

In reference to other issues, he declared:

1. Warned the western powers against interfering "in matters concerning us alone with the purpose of preventing natural and sensible solutions."
2. Declared either "force" or "common sense" were methods by which redistribution of the "riches of the world" could be accomplished, but said the colonial question was "in no sense a problem which could cause wars."

3. Repudiated "any American intervention in German affairs" and said German relations with the United States suffered from "a campaign of defamation carried on to serve obvious political and financial interests."

4. Launched a bitter attack against Bolshevism.

5. Hailed Insurgent success in Spain as another "valiant defeat of the newest universal attempt to destroy the European cultured world."

6. Assailed Harold L. Ickes, United States Secretary of the Interior, and three British statesmen who frequently attack Nazi policies as "apostles of war."

7. Proclaimed that "the Jews could not come to rest" until the Jewish question was settled.

8. Disavowed any German territorial demands upon England and France "except that of the restoration of our colonies"; and

9. Envisaged the possibility of a trade war by which Germans "either live—meaning export—or die" but warned "that German leaders were ready for everything."

Talks For Over Two Hours

Hitler spoke to a Reichstag of 855 brown-uniformed deputies which, in its larger size, symbolized his greatest achievements—

annexation of Austria and the Czecho-Slovak Sudetenland. For the first time seventy-three Austrian and forty-one Sudeten deputies took their places with their German colleagues.

He drove to the Kroll Opera House, where the Reichstag met, through banner-decked streets. He started talking promptly at 8.03 P. M. (2.03 P. M., E.S.T.) and did not finish until 10.20. In the closing passages he was bothered by a slight cough.

Boasting German progress despite the restrictions of post-war treaties, spoke scornfully of attacks on Germany by speakers and the press of certain democracies, and declared that despite troubled times he believed in a "long peace."

Of German friendship with Italy he said:

"Let no one in the world make any mistake as to the resolve which National Socialist Germany has made as far as this friend (Italy) is concerned.

"We can only serve the cause of peace if it is quite clearly understood that a war of rival ideologies,

waged against the Italy of today, will, once it is launched, and regardless of its motives, call Germany to the side of her friend."

"National Socialist Germany and Fascist Italy are strong enough to secure their peace against everybody, or determinedly to end a conflict recklessly entered into by irresponsible forces."

He said Germany needed colonies because of economic reasons, and added that her pre-war colonial empire was "stolen from us" against "solemn assurances of President Wilson which were the basis of our laying down arms."

From the viewpoint of common sense, he said, "the same reasons that once could be advanced for the robbery of the colonies now speak for their return."

Challenges Action Of U. S.

Hitler challenged the right of the United States to "mobilize South America against the Fascist nations."

"The question, for instance, as to whether Germany maintains economic relations and does business with the countries of South and Central America concerns nobody but them and ourselves.

"Germany, at any rate, is a great and sovereign country and is not subject to the supervision of American politicians."

He said he believed that the "campaign of defamation" which hampers German-American relations "does not reflect the will of millions of American citizens" and added:

"Germany wishes to live in peace and on friendly terms with all countries, including America.

Repudiates American Interference

"Germany refrains from any intervention in American affairs and likewise decisively repudiates any American intervention in German affairs."

He linked Secretary Ickes with three Britons, Alfred Duff Cooper, former First Lord of the Admiralty; Anthony Eden, former Foreign Secretary, and Winston Churchill, "Tory rebel," as disturbers of friendly relations.

"Now, when we defend ourselves against such apostles of war as Duff Cooper, Mr. Eden, Mr. Churchill, or Mr. Ickes, this is represented as interference with the sacred rights of the democracies," he asserted.

"According to the conception of these gentlemen they have the right to attack other people and their leaderships, but nobody has the right to take umbrage against this.

"I need hardly assure you that as long as the German Reich is a sovereign state the leadership will not let an English or American politician forbid its answering such attacks."

Threatens Radio War

Hitler's address was filled with anti-Semitism. He denied the existence of religious persecution in Germany and threatened a radio war with "certain countries," obviously Britain and France, unless they stopped broadcasting to Germany.

He pictured the "salvation of Europe" from Bolshevism as having started with Premier Mussolini at one end and added:

"National Socialism continued this work of salvation" at the other end.

"If it should become possible once more to rush Europe into a world war, the result would not be the bolshevization of the earth but destruction of the Jewish race in Europe," he said.

Admits Economic Difficulties

Admitting Germany had gone through a difficult economic situation, he declared, "We shall win this battle completely, nay, we have won it."

In his warning against interference in German affairs Hitler declared that in establishing the right of self-determination in Austria and Czecho-Slovakia Germany had "only defended herself" against interfering third parties.

"I need not assure you that in the future also we shall tolerate no attempts at interference in matters concerning us alone with the purpose of preventing natural and sensible solutions."

Ready To Resort To Trade War Germany, he said, must export to buy foodstuffs and "if foreign statesmen threaten with 'I don't know what economic counter measure, I can only say that in such a case a trade war of despair would begin which would be an easy one for us.

"Easier than for the saturated other nations because the motive for our economic battle should be a very simple one, namely: The German people either live—meaning export—or die.

"As for its leaders, I can only state that they are ready for everything."

Time and again an open hand went to Hitler's heart to express his feelings when he spoke of the German nation. Often he drove home his points by swinging wide his arms or by pointing with an index finger. The high pitch of his voice reached in public speech a new peak.

Thunderous applause greeted the German leader from the time he slowly walked into the assembly hall until he left. He wore a double-breasted brown coat, black trousers, a white collar and a brown tie. On his coat hung an Iron Cross. He closely followed his manuscript without using glasses.

In the red-draped Kroll Opera House as Hitler spoke were Konrad Henlein, Sudeten German leader, and Dr. Arthur Seyss-Inquart, the Austrian Nazi who summoned the German army to "rescue" that country last March.

Behind him was a tremendous insignia of the Reich—a gilded eagle. Denies Threat To U. S.

Any assertions that Germany was "planning an attack on America," the Nazi Chancellor said, "could be disposed of with a mere laugh."

The German nation, he declared, has no feeling of hatred toward England, America or France.

He accused international Jewry of attempting to plunge nations into war, but said Germany "with its enemy" would be defeated by the "convincing power of our propaganda," just as it was overcome within Germany.

"The outside world cannot influence Germany's treatment of the Jews in the slightest."

Vital Interest In Italy

One sentence seemed to indicate that Germany would jump in if Italy were on the verge of defeat over any matter, whether it involved "common interests" or not.

"As regards National Socialist Germany," he said, "she is well aware of the fate that awaits her if ever an international power, whatever its motive, should succeed in overcoming Fascist Italy."

Field Marshal General Hermann

Goering was reelected president of the Reichstag by standing vote. The Reichstag also extended until May 10, 1943, the emergency law which gave Hitler full authority to rule by decree without parliamentary action.

WORLD AWAITS HITLER SPEECH TO REICHSTAG

Subject Matter of Talk by
Fuehrer Kept Closely
Guarded Secret.

GERMANY IN A FESTIVE MOOD

Goebbels Praises His Nazi Chief
and Says Reich Faces
New Tasks.

BERLIN, Jan. 31, 1938.—An anxious world looked to Adolf Hitler today for an indication in his Reichstag speech of how next he intends to use his power. In the quiet of his vast new chancellery, a symbol of the might of the enlarged Nazi empire of 80,000,000 people, Herr Hitler worked until late afternoon on the speech for tonight to crown the sixth anniversary of his rise to rule.

The subject matter of Der Fuehrer's talk, as usual, was a closely-guarded secret but many wondered:

Would he raise Germany's colonial claims more strongly than ever?

Would he back Premier Mussolini in a demand upon France for colonial adjustment in Africa?

Would he discuss the cooled German-American relations?

Holiday Air Rules Reich

Outside the heavily-draped window of his study, the capital assumed a holiday air to celebrate the nation's new position as a dominating Continental Power. The population was astir from early morning when Nazi party music formations sounded reveille. The city was colorful with swastika flags whipping in the breeze. Brown-shirted storm troopers and

black-garbed elite guards thronged the streets.

The entire route from the chancellery to the opera house was virtually walled with swastika banners—along the Wilhelmstrasse past government buildings, into the historic Unter Den Linden, under Brandenburger Gate, up the broad boulevard to the opera house, the Friedensallee.

Flags, banners and green fir trimmings decorated the opera house. A polished vast gilded eagle and

swastika formed the background for the speaker.

Loud-speaker arrangements were made so that thousands could hear in the streets outside the building.

The 855 brown-shirted deputies forming the Reichstag membership provided a double inspiration for the Chancellor: A sympathetic audience and a personification of his greatest achievement—the annexation of Austria, his homeland, and Czecho-Slovak Sudetenland.

For the first time since 1848, seventy-three Austrian and forty-one Sudeten deputies were allotted seats beside Prussian colleagues in the Reichstag, membership in which today is the largest numerically in the history of the German people.

Whatever the course Hitler had outlined for the new year of his "national socialist rising," whether principally internal or another broad step along the trail of his dynamic foreign policy, his followers sang one tune today:

"The route of the Fuehrer is the oute of the people."

Labor Front Chief Speaks

On the eve of the sixth anniversary of Nazi rule, Labor Front leader Robert Ley told a Nazi party district rally in Stettin that: "Whoever lives in Germany must breathe the National Socialist air. . . The German people has understood the meaning and the results of our national leadership and it knows that the Fuehrer was able to create a corps of leaders which tackles every problem, evades no decision and places the greatest demands upon itself.

"Our belief in the Fuehrer and the party, therefore, is so strong and accompanied with success, because this belief is not wasted in phrases but knows no bounds and transmits itself in obedience."

Propaganda Minister Paul Joseph Goebbels told German school children today that "there are new tasks every year" and that "worries will never end."

Goebbels Praises Hitler

His address, broadcast throughout Germany and given before the

cheering student body of a northern Berlin public school, was part of the celebration of the sixth Nazi anniversary.

He called Chancellor Hitler the "master teacher" to whom all German youths look up in veneration and behind whom they rallied in unswerving loyalty.

In a review of Nazi achievements Herr Goebbels said that Germany, "honored but almost feared," rose powerfully, culturally and politically, and added that the German "rebirth was no miracle but a rejuvenation that came out of the stern courage of the German people."

Britain Is Prepared, Times Manager Says

New York, Jan. 30 (AP)—Chris S. Kent, general manager of the London Times, said today upon arrival aboard the liner Georgic that Great Britain never was more prepared for war nor more desirous of peace than now.

Mr. Kent, who will study methods of leading American newspapers while in this country, said he was a businessman, not a politician, and was reluctant to discuss the international situation.

He said, however, that Prime Minister Neville Chamberlain was the most important statesman in Europe today.

"I believe that there was an idea in the United States that a spirit of defeatism prevailed in England," he said. "That is the opposite of the truth. They who try to twist the lion's tail will feel the sharpness of his teeth."

Mr. Kent is paying his first visit here since the World War when he accompanied the late Lord Northcliffe as a member of the British war mission.

He also plans to visit Washington, Philadelphia, Boston, Chicago, Detroit, Montreal, Ottawa, Toronto and Winnipeg.

Excerpts

Hitler's Speech Before the Reichstag

BERLIN, Jan. 30 (AP).—The official translation of Chancellor Adolf Hitler's address tonight was in part as follows:

Members of the German Reichstag:

When, six years ago this evening, tens of thousands of National Socialist fighters marched through the Brandenburg Gate to the light of their torches to express to me, who had just been appointed Chancellor of the Reich, their feeling of overwhelming joy and their vows as faithful followers countless anxious eyes all over Germany and in Berlin gazed upon the beginning of a development, the end of which still seemed unknown and unpredictable. . . .

One thing remains forgotten: It seems that no miracle in the future could save Germany. We National Socialists believed in this miracle. Our opponents ridiculed our belief in it. The idea of redeeming the nation from a decline extending over fifteen years simply by the power of a new idea seemed to the non-National Socialists fantastic nonsense.

To the Jews and the other enemies of the State, however, it appeared to be the last flicker of the national power of resistance. And they felt that when it had disappeared, then they would be able to destroy not only Germany but all Europe as well.

Had the German Reich sunk into Bolshevik chaos it would at that very moment have plunged the whole of Western civilization into a crisis of inconceivable magnitude. Only islanders with the most limited vision can imagine that the Red plague would have stopped of its own accord before the sacredness of the democratic idea or at the boundaries of disinterested States.

Says Fascists Began "Rescue"

The rescue of Europe began at one end of the Continent with Mussolini and Fascism. National Socialism continued this rescue in another part of Europe and at the present moment we are witnessing in still a third country the same drama of a brave triumph over the Jewish international attempt to destroy European civilization.

What are six years in the life of one man—much less in the life of the peoples? In such a short period of development one sees scarcely more than the symptoms of general stagnation, decline or progress. The six years which now lie behind us in Germany are, however, filled with the most tremendous events in all German history.

On Jan. 30, 1933, I moved into the Wilhelmstrasse filled with the deep-

est anxiety for the future of my people. Today—six years later—I am able to speak before the first Reichstag of Great Germany! We are, indeed, perhaps better able than other generations to realize the full meaning of those pious words: "What a change by the grace of God."

Six years sufficed to fulfill the dreams of centuries; one year to give to our people the enjoyment of that unity for which numerous generations had longed and striven in vain. As I today see you assembled before me as the representatives of our German people from all over the Reich and know that among you are the newly elected men of the Ostmark [Austria] and the Sudetenland I am once more overwhelmed by tremendous impressions of the events of a year which realized the dream of centuries.

How much blood has been shed in vain! How many millions of men have consciously or unconsciously trodden the bitter path to sudden or painful death for the sake of this ideal! How many others have been condemned to drag out behind the walls of fortresses and prisons lives they would gladly have given for Great Germany!

How many hundreds of thousands have been scattered over the wide world by the endless stream of German emigration, driven by misery and want! For many a year they still think of their unfortunate homeland, but as generations go by they forget it. And now in a single year it has been possible to realize this dream.

Twenty Years of Struggle

This was not achieved without struggle in spite of what the thoughtless bourgeois may think. This year of German unification was preceded by nearly twenty years of fanatical struggle over a political idea. Hundreds of thousands, nay millions, devoted to this idea their entire selves and their physical and economic existence.

They readily endured mockery and scorn as well as years of shameful treatment, frightful abuse and almost unbearable terror. All over the country we lost innumerable dead and wounded. And in addition, this success was fought and achieved by the power of brave decisions fanatically adhered to.

I would emphasize this because there is a danger that those very people who have made the smallest practical contribution to German unification will only too easily—noisy orators that they are—claim for themselves the credit of having created this Reich or look upon the entire events of the past year as a matter of course, a long-overdue development which unfortunately was finally completed rather late by National Socialism.

I will now in a few sentences give

you the facts of the historical events of the memorable year 1933. Among the fourteen points which President Wilson promised Germany in the name of all the Allies as the basis on which a new world peace was to be established when Germany laid down her arms was the fundamental principle of the self-determination of peoples.

The proclamation of this principle might have been of fundamental importance. Actually during the following period the allied powers of the day also applied these theories when they could make them serve their own selfish purposes. Thus they refuse to return Germany's colonial possessions, alleging that it would be wrong to return the native inhabitants of the colonies to Germany against their will.

But of course in 1918 no one took the time to consider that their will was. But while the Allies thus upheld the right of self-determination for primitive Negro tribes, they refused in 1918 to grant to a highly civilized nation like the Germans the rights of man which had previously been solemnly promised to them.

All efforts to bring about a change in the situation to normal methods of reasonable revision have hitherto failed, and are bound to fail in the future, in view of the well-known attitude of the Versailles powers.

Indeed, all the articles dealing with revision in the Covenant of the League of Nations had only a platonic significance.

Resolution Regarding Austria

I myself, as a son of the Ostmark, was filled with a sacred wish to solve this problem and thus lead my homeland back to the Reich. In January, 1933, I finally resolved that in the course of that year, in one way or another, I would fight for and win the right of self-determination for the 6,500,000 Germans in Austria.

I invited Herr Schuschnigg, then Chancellor of Austria, to an interview at Berchtesgaden and made it clear to him that the German Reich would no longer inactively tolerate any further oppression of these German comrades. . . . The result was an agreement which permitted me to hope for a solution of this difficult problem by means of a general understanding.

In my Reichstag speech of Feb. 22, I stated that the Reich could no longer be indifferent to the fate of the 10,000,000 Germans in Central Europe who were separated from the motherland against their will. I stated that further oppression and mistreatment of these Germans would lead to the most energetic counter measures.

A few days later, Herr Schuschnigg decided to violate in a glaring manner the agreement which he had entered into at Berchtesgaden.

His idea was by means of a faked plebiscite to destroy the legal basis of the national right of self-determination and the will of these 6,500,000 Germans. On the evening of Wednesday, March 9, I learned of this intention through Schuschnigg's speech at Innsbruck. That night I ordered the mobilization of a certain number of infantry and mechanized divisions with orders to cross the frontier on Saturday, March 12, at 8 A. M. in order to liberate the Ostmark.

On the morning of Friday, March 11, the mobilization of these army and SS [Elite Guard] units was completed. They took up their positions along the course of the day. Meanwhile, due to the pressure of all these events and the rising of the citizens in the Ostmark, Schuschnigg resigned.

Tells of Appeal for Troops

On Friday night I was asked to order the German troops to march into Austria to prevent grave internal disorders in that country. Toward 10 P. M. troops were already crossing the frontier at numerous points. At 6 A. M. the next morning the main body began to march in. They were greeted with tremendous enthusiasm by the population which was thus at last free. . . .

The first election to the Greater German Reichstag, which took place on April 10, expressed the overwhelming approval of the German nation. . . .

A few weeks later, influenced by the international campaign of hate carried on by certain newspapers and individual politicians, Czecho-Slovakia began an intensified oppression of the Germans within her borders.

Close upon 3,500,000 of our fellow-countrymen lived there in self-contained settlements which for the most part adjoined the boundaries of the Reich. Together with the Germans who were driven out during twenty odd years by the Czech reign of terror, this makes a total of over 4,000,000 persons who were retained in this State against their will and were ill-treated to a greater or less degree.

No world power with any sense of honor would have watched such a state of affairs permanently. The man responsible for this development, which gradually made Czecho-Slovakia the exponent of all hostile intentions directed against the Reich, was Dr. Benes.

Despite a declaration twice given to the Czecho-Slovakian President, Dr. Benes, in my name that Germany had not mobilized a single soldier, despite the same assurances that it was possible to make to representatives of foreign powers, the fiction was maintained and disseminated that Czecho-Slovakia for her part had been forced to mobilize in consequence of the Ger-

man mobilization and that Germany had thus had to countermand her own mobilization and to renounce her plans. . . .

Solution of Sudeten Issue

I resolved to solve, once and for all, and this radically, the Sudeten German question. On May 28, I ordered:

1. That preparations should be made for military action against this State by Oct. 2;

2. That the construction of our western defenses should be greatly extended and speeded up. . . .

The immediate mobilization of ninety-six divisions was planned to begin with and arrangements were made whereby these could be supplemented in a short time by a larger number.

Developments late in the Summer and the flight of the Germans in Czecho-Slovakia showed that these preparations were justified. The various stages of the final settlement of this problem are a matter of history. . . .

If certain newspapers and politicians in the rest of the world now allege that Germany thus threatened other nations by military blackmail it can only be as a result of crude distortion of the facts.

Germany restored the rights of self-determination to 10,000,000 of her fellow countrymen in a territory where neither the British nor any other western nation have any business. . . .

And I need not assure you gentlemen that in the future as well we shall not tolerate the Western States' attempting to interfere in certain matters which concern nobody but ourselves in order to

hinder natural and reasonable solutions by their intervention.

Hails Mussolini's Mediation

We were all happy therefore when, thanks to the initiative of our good friend, Benito Mussolini, and thanks also to the highly appreciated readiness of Mr. Chamberlain and M. Deladier, it became possible to find the elements of an agreement which not only allowed of the peaceful settlement of a matter which admitted no further delay but could moreover be looked upon as an example of the possibility of a general settlement of certain vital problems. . . .

This unique event in the history of our nation represents for you, gentlemen, a sacred and everlasting obligation. You are not the deputies of a district or of a certain side, you are not the representatives of particular interests, but you are, first of all, the chosen delegates of the whole German nation.

You are thus guarantors of that German Reich which National Socialism has made possible and created. You are therefore in duty

bound to serve with the deepest loyalty the movement which paved the way for and realized the miracle of German history in the year 1933. In you must be incorporated in the most superlative form the virtues of the National Socialist party—loyalty, comradeship and obedience. . . .

The history of the last thirty years has taught us all one great lesson, namely, that the importance of nations in the world is proportionate to their strength at home. The number and value of a population determines the importance of a nation as a whole. The final decisive part played in the valuation of the real strength of a nation will always be found in the state of its internal order; that is, the organization of its national strength.

The German of today is no different from that of ten, twenty or thirty years ago. Since then the number of Germans has not increased to any considerable extent.

The capabilities of genius and energy cannot be considered more plentiful than in former times. The one thing which has changed considerably is the way in which these values are utilized. The full by the German people, their organization, and thanks to the formation of a new method of the selection of leaders.

Recalls Domestic Strife

The German nation in former times, politically and socially disorganized as it was, had wasted the greater part of its inherent qualities in domestic strife, which was as unfruitful as it was irrational.

What was known as democratic license in giving expression to opinions and instincts not only led to a development or liberation of particular values or forces, but also caused them to be foolishly wasted and finally paralyzed every person who might still possess real creative power. . . .

Gentlemen, we are faced with enormous and stupendous tasks. A new history of the leadership of our nation must be constructed. Its composition is dependent on race.

It is, however, just as necessary to demand and make sure through the system and method of our education that above all bravery and the readiness to accept responsibility will be regarded as essential qualities in those about to assume public office of any kind.

When appointing men to leading positions in the State and party, greater value should be placed on character than on purely academic or allegedly intellectual suitability. It is not abstract knowledge which must be considered as a decisive factor wherever a leader is required but rather a natural talent for leadership, and with it a highly developed sense of responsibility which brings with it determination, courage and endurance.

It must be recognized on principle that the lack of a sense of responsibility can never be made up for by its supposedly first-class academic training, of which certificates may supply the fruit. Knowledge

and qualities of leadership, which always imply energy, are not incompatible.

Qualities for a Leader

But in doubtful cases knowledge can in no circumstances be a substitute for integrity, courage, bravery and determination. These are the qualities that are more important in a leader of the people in the State and party.

And I say this to you now, gentlemen, looking back on the one year in German history which has shown me more clearly than the whole of my previous life how vital and essential these very qualities are; and how in time of crisis one single energetic man of action outweighs ten feeble intellectuals.

But as a factor in society this new type, selected as embodying the qualities of leadership, must also be freed from numerous prejudices which I can really only describe as unfruitful and fundamentally unfruitful social morals. There is no attitude which cannot find its ultimate justification in the benefit which it brings to the community as a whole.

Anything that is obviously unimportant or even harmful to the existence of the community is not to be recognized as a moral code on which a social order can be built up. And most important of all, the national community is possible only when laws are recognized which are binding for all.

It will not do to expect or demand that one man should act in accordance with principles which in the eyes of the others are absurd or harmful or even just unimportant. I fail to appreciate the efforts of social classes, which are dying out, to cut themselves off from real life and keep themselves artificially alive behind a hedge of dry, out-lived class laws. . . .

So long as the idea is only to secure a peaceful burial place there is no objection. But if this is an attempt to place a barrier in the way of life's progressive march then the windstorm of youth will clear away the whole tangled growth in its downward sweep.

"No Social Prejudices"

In the German State of today, the people's State, there are no social prejudices. And consequently there is no special social code of morals. This State recognizes only the laws of life and the necessities at which man has arrived through reason and insight. National Socialism recognizes these laws of necessity and it is one of the concerns of National Socialism to have them respected. . . .

Gentlemen, we live in an age when the air is full of the cries of democratic defenders of morals and world reformers. Judging from the statements of these apostles one

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might almost conclude that the whole world is only waiting its chance to redeem the German nation from its unhappy plight, to lead it back to the blessed state of cosmopolitan brotherhood and mutual assistance in international affairs which we Germans were so thoroughly able to test during the fifteen years before the National Socialist assumption of power.

Speeches and newspapers in these democracies tell us every day about the difficulties we Germans face. One difference is to be noted between the speeches of the statesmen and the leading articles of their journalists.

The statesmen either pity us or else unctuously praise the tried recipes—which unfortunately, however, do not seem to be so successful in their own countries; the journalists on the other hand give expression to their true sentiments somewhat more candidly.

They inform us confidently and with a feeling of malicious pleasure that we are either suffering a famine or that one is—God willing—about to descend upon us, that we are facing ruin as the result of a financial crisis, or else a production crisis or—if even that should not come to pass—a consumption crisis.

The only thing is that the sagacity of these democratic world economic scholars, of which we have so much concrete proof, does not always produce quite uniform diagnosis.

During the past week alone, in view of the increased concentration of German self-assertiveness, one could read at the same time:

1. That although Germany had a surplus of production she would succumb as a result of the lack of consumption power;
2. Although there was a huge consumers' demand, the shortage of production goods alone would bring the country to ruin;
3. That we should certainly collapse under the terrific burden of our debts.
4. That we wanted no debts, but by National Socialist policy in this field too we were acting contrary to the last sacred capitalist ideas, and consequently—please God—would ruin ourselves.
5. That the German people were in revolt on account of the low standard of living.
6. That the State could no longer maintain the high standard of living of the German people—and so on.

All these and many similar theses of these democratic world economic dogmatists had their forerunners in countless statements made during the period of the National Socialist struggle and in particular during the last six years. In all these laments and prophecies there is only one sincere strain, and that is the single honest democratic wish that the German people, and particularly the National Socialist Germany of today, should finally perish.

Difficulties Were Combated

One thing, admittedly, the German people, more especially we ourselves, do realize: that Germany has undoubtedly always been in a

very difficult position economically. In fact, since 1918 many people have considered her position hopeless.

But whereas in the period following 1918 one simply gave in in the face of these difficulties, or relied on the rest of the world, only to be disappointed, National Socialism has broken with this system of cowardly surrender to an apparently inevitable fate, and has summoned up the instinct of self-preservation in the nation.

Not only did this instinct set to work with extraordinary determination, but—as I surely made plain today—it also met with extraordinary success, so that I can say two things: first, that we really are engaged in a tremendous struggle, making use of every ounce of the united strength and energy of our people, and, second, that we shall win this struggle completely—in fact, we have already won it!

What is the root cause of all our economic difficulties? It is the overpopulation of our territory. And in this connection there is only one fact and one question which I can hold up to the world and the entire people of Germany.

The fact is that in Germany there are 135 people to the square kilometer, living entirely without their former reserve; for fifteen years a prey to all the rest of the world, burdened with tremendous debts, without colonies, but the German people are nevertheless fed and clothed, and, moreover, there are no unemployed among them.

While the question is this: Which of the so-called great democracies is capable of performing the same

feat? If we chose particular methods, the reason was simply that we were forced into particular circumstances. And in fact, our position was so difficult that there can be no possible comparison with the position of the other great States.

Criticizes Wealthier Countries

There are countries in the world where instead of 135 people to the square kilometer, as there are in Germany, there are only between five and eleven, where vast stretches of fertile land lie fallow, and all imaginable luxuries are available. There are countries which have all this and the natural wealth of coal, iron and ore and yet are not even capable of solving their own social problems, of doing away with unemployment or overcoming their other difficulties.

And now the representatives of these States swear by the wonderful qualities of their democracy. They are quite at liberty to do so as far as they are concerned. But as long as we still had an offshoot of this democracy in Germany we had 7,000,000 unemployed; trade and industry were faced with absolute ruin in town and country, and society was on the point of revolution.

Now we have solved these problems in spite of our difficulties, and for this we have our regime and our internal organization to thank. The representatives of foreign democracies marvel that we now take

the liberty of maintaining that our regime is better than the former one; above all they marvel that the German people acquiesce in the present regime and reject the former.

But, after all, does not a regime which has the support of 99 per cent of the people represent quite a different kind of democracy from the solution which in some countries is possible only with the help of extremely doubtful methods of influencing election results?

And above all, what is the meaning of this attempt to foist something onto us which—in so far as it is a question of government by the people—we already possess in a much clearer and better form? But as for the method that is so much recommended, it has proved absolutely useless in our country.

Form of Regime Not Issue

In those other countries it is maintained that collaboration should be possible between democracies and what they term dictatorships. And what might that mean? The question of the form of government or of the organization of the national community is not a subject for international debate at all. It is a matter of absolute indifference to us in Germany what form of government other nations have.

At the most, it is a matter of indifference to us whether National Socialism—which is our copyright, just as fascism is the Italian one—is exported or not. We are not in the least interested in this ourselves! In this our advantage in the armaments of National Socialism as an idea, nor do we feel that we have any occasion to make war on other people because they are democrats.

The assertion that National Socialism in Germany will soon attack North or South America, Australia, China, or even The Netherlands, because different systems of government are in control in these places, is on the same plane as the statement that we intend to follow it up with an immediate occupation of the full moon. Our State and our people exist under very difficult economic conditions.

The regime which preceded us capitulated before the difficulty of this task, and was unable, by reason of its very character, to fight against the odds which confronted it. For National Socialism the word capitulation does not exist, neither in home nor in foreign affairs.

National Socialism is inspired by the dogged determination to attack problems which must be solved, and solve them one way or the other. Because of our circumstances, we are forced to compensate for our lack of material possessions by the greatest possible industry and the most intense concentration of our working power.

Those who can lie under a banana tree and eat the fruit as it falls into their hands have, of course, an easier struggle for existence than the German peasant, who must exert himself throughout the whole year in order to cultivate his field. In this connection we refuse

to admit that a carefree international banana-picker has any right to criticize the activities of the German peasant.

If certain methods of our economic policy are to be the rest of the world, it should recognize that a hatred on the part of the former victor States, which was irrational and purposeless from an economic point of view, was chiefly responsible for making these efforts necessary.

On this occasion again, as so often before, I wish to make clear in a few words to you, gentlemen, and thus to the entire German people, an existing situation which we must either accept or alter.

Before the war Germany was a flourishing economic power. She participated in international trade and had general validity at that time as well as the methods of that trade.

I need say nothing here with regard to the compulsion to participate in this trade activity since it is presumptuous to assume that God created the world only for one or two peoples. Every people has the right to ensure its existence on this earth.

The German people is one of the oldest civilized peoples of Europe. Its contribution to civilization is not based on a few phrases of politicians but on immortal achievements which have been of positive benefit to the world. It has exactly the same right as any other people to share in the opening up and development of the world.

Charges English Destructive Aim

Nevertheless, even in pre-war years, English circles upheld the idea—which was utterly childish from an economic point of view—that the destruction of Germany would tremendously increase British profits from trade.

In addition, there was the further fact that even then the Germany of that day was believed to be in the final analysis a not entirely amenable factor with regard to the domination of the world which the Jews were attempting to establish.

Consequently, from this side all available means were utilized to incite to an attack upon Germany. The war in which Germany found herself involved, purely as a result of a mistaken interpretation of loyalty to an ally, ended after over four years with that fantastic proclamation of the famous American President Wilson.

These fourteen points, which were then supplemented by four additional ones, represent the solemn commitments of the Allied powers, on the basis of which Germany laid down her arms. After the Armistice these undertakings were broken in the most infamous manner.

There then began the insane efforts of the victor States to transform the sufferings of the war into a permanent state of warfare during times of peace. For the most part an end has been put to this condition today. This has not happened because the democratic

statesmen have displayed insight or even merely a sense of equity but solely through the strength of the reawakened German nation.

It is in any case a fact that at the end of the war any rational considerations would have shown that no State had visibly profited. The clever British writers of economic articles, who had formerly written that destruction of Germany would increase the wealth of every individual Englishman and benefit the welfare of their country, were forced—at least for a certain period, when reality too clearly showed the untruth of their statements—to remain silent.

Similar brilliant discoveries have begun to crop up again in the speeches of British politicians and the leading articles of the same type of newspaper writers during the past few months. What was the war fought for? In order to destroy German seapower, which then occupied second place. . . .

Two Other States Benefit

The result in any case was that now two other States have stepped in, one occupying a better position than Germany held and the other taking Germany's place. Or was it with the object of destroying Germany's trade?

The destruction of German trade has injured England at least as much as it has Germany. England and the English have not become richer. Or was it to eliminate the German Reich for some other reason?

The German Reich is stronger than ever before. Or was it perhaps to strengthen the position of western democracy in the world? In large parts of the world the earlier edition of this democracy has been withdrawn from circulation and destroyed.

From the banks of the Pacific Ocean in the Far East to the waters of the North Sea and the coast of the Mediterranean, other forms of government are spreading with great rapidity. Any benefits one can possibly imagine from this war have been completely canceled, not merely by the tremendous sacrifices of human lives and goods but also by the continuing burden on all production, and above all on the budgets of the States.

This, however, was a fact which was evident and could be seen immediately after the war. If it had been taken into consideration, the peace treaties would certainly have been drawn up on a different basis.

Vast Reparations Stressed

For example, proof for all time to come of an extraordinarily limited insight in judging economic possibilities was furnished by the sums proposed in the years 1919 and 1920 as possible reparations payments. They are so far beyond the bounds of any economic reason that one can only assume a general desire for world destruction as the sole intelligible cause for this procedure, which otherwise can only be characterized as insanity.

For the situation was as follows: First, the war was waged to exclude Germany from world trade.

Consequently, in accordance with this aim of the war the conclusion of peace should have transformed Germany into an autarchy. That is, the other States, which felt themselves threatened by German world trade, should at the end of the war have placed at the disposal of the German people an area suited to a self-sufficient existence, requiring the German people to live from this area and to have no further economic contacts with the rest of the world. This was not done.

Instead, a World War was waged to exclude Germany from world trade—this was the only genuine motive of the belligerents of that period—and then there was imposed upon the defeated State a burden of material reparations which could only be paid through actually doubling its activity in the world market.

But this was not all: in order to prevent or hamper any autarchic activity by Germany, the Reich was even deprived of its own colonial possessions which had been acquired by purchases and treaty. This means that the strongest peo-

ple of Central Europe was forced through a series of truly brilliant manoeuvres to work much harder than before as an exporting nation regardless of cost.

For German exports had to be large enough not only to satisfy German requirements, but also to provide additional insanely high reparations, which, of course, meant that, in order to pay 1 mark, 3 or 4 marks' worth of goods had to be exported, since in the long run these gigantic sums could only be paid from profits and not from capital.

Victory in World Trade

Since Germany was in a position to fulfill these obligations the victor nations by means of loans subsidized German trade competition on the world market, after ten or twelve million men had given their lives on the battlefield to eliminate the trade enemy from the world market.

I will only mention parenthetically that this insane procedure finally led to exaggerated developments and in the end upset all national economies and caused serious currency crises. The entire conduct of the so-called victor powers after the end of the war was completely irrational and irresponsible.

The theft of the German colonies was morally an injustice. Economically it was utter insanity! The political motives advanced were so mean that one is tempted merely to call them silly. In 1918, after the end of the war, the victorious powers really would have had the authority to bring about a reasonable settlement of international problems.

The lack of such a settlement cannot be excused by the fact that feeling was running too high to allow the nations to listen to the voices of sensible statesmen. Nor would this be exactly to the credit of the democracies. The statesmen themselves had no idea of what

they were doing and of the consequences which were bound to follow.

In actual fact the problem at the end of the war had become still more critical than it was before the war. Quite briefly, the problem was as follows:

How can a just and sensible share in the world's wealth be assured to all great nations? For surely no one can seriously assume that, as in the case of Germany, a mass of 80,000,000 intelligent persons, can be permanently condemned as pariahs, or be forced to remain passive forever by having some ridiculous legal title, based solely on former acts of force, held up before them.

Case of "Haves" and "Have Not's"

And this is true not only of Germany but of all nations in a similar position, for it is quite clear that: either the wealth of the world is divided by force, in which case this division will be corrected from time to time by force, or else the division is based on the ground of equity and therefore, also, of common sense, in which case equity and common sense must also really serve the cause of justice and ultimately of expedience.

But to assume that God has permitted some nations first to acquire a world by force and then to defend this robbery with moralizing theories is perhaps comforting and above all comfortable for the "haves," but not for the "have nots." It is just as unimportant as it is uninteresting and lays no obligation upon them.

Nor is the problem solved by the fact that a most important statesman simply declares with a scornful grin that there are nations which are "haves" and that the others on that account must always be "have nots."

This profound truth may perhaps function as a principle for the solution of all questions inside the capitalist democracies, but the States which are really ruled by their people reject such theories in their homes as well as in their foreign policy.

No nation is born to be a "have not," and no nation is born to be a "have." But the distribution of wealth in the world has been the result of historical development. It is conceivable that in the course of long periods of time nations in consequence of inner crises may seem to disappear temporarily from the arena of historical events, but to imagine that in Europe a nation like Germany or Italy should disappear forever from the stage on which it had appeared as an equal partner in history, and as an active as well as a passive force for civilization, is a profound fallacy.

Charges Theft of Colonies

As far as Germany is concerned the situation is very simple. The Reich has 80,000,000 inhabitants; that means over fifteen persons to the square kilometer. The great German colonial possessions, which the Reich once acquired peacefully by treaties and by paying for them, have been stolen—contrary indeed to the solemn assurance given by President Wilson, which was the basic condition on which Germany

laid down her arms.

The objection that these colonial possessions are of no importance in any case should only lead to their being returned to us with an easy mind. But the objection that this is not possible because Germany would not know what to do with them since she did not do anything with them before is ridiculous.

Germany, which was late in acquiring her colonial possessions, was able to develop them in a relatively short time and to win the war as a result. This objection is consequently just as foolish as if anybody were to question a nation's capacity to build a railway

because it had no railway 100 years ago.

The further objection that her colonial possessions cannot be returned to her because Germany would thus acquire a strategic position is a monstrous attempt to deny general rights to a nation and a people a priori.

For this can be the only answer: Germany was in any case the only State which set up no colonial army since she trusted to the terms of the Congo Act which were afterward broken by the Allies.

Germany does not require her colonial possessions at all in order to set up armies there—she has a sufficiently large German population for this purpose and to relieve economic difficulties. But even this is not believed, it is wholly immaterial and in no way affects our rights.

Such an objection would only be justified if the rest of the world wished to give up its military bases and were only forced to maintain them if Germany were to be given back her colonies. The fact remains that a nation of 80,000,000 will not be willing permanently to be assessed differently from other nations.

"Only a Question of Power"

The fallacy and poverty of these arguments clearly show that at bottom it is only a question of power, in which common sense and justice receive no consideration from the common standpoint of view. The very reason which could once be advanced against taking Germany's colonies from her can be used today for their return.

As she lacks a sphere of economic development for herself, Germany is forced to satisfy her own requirements by an increasing participation in world trade and in exchanges of goods. For on one point those very nations must be agreed, which themselves have immense economic possibilities at their disposal, either because they themselves occupy large territories or because they have great additional colonial possessions—namely, that the economic existence of a nation cannot be maintained without a sufficient supply of foodstuffs or without independent raw materials.

If both are lacking a nation is forced to participate in world trade under all circumstances and perhaps to an extent which may even be undesirable to other countries.

Only a few years ago, when conditions forced Germany to adopt her Four-Year Plan, we could to our great astonishment hear from the lips of British politicians and statesmen the reproach—which at that time sounded so sincere—that Germany was withdrawing from the sphere of international economics, even from world economy contacts, and was thus retiring into regrettable isolation.

I replied to Mr. Eden that this apprehension was perhaps a little exaggerated and if it was meant at all sincerely was not admissible. Conditions today make it quite impossible for Germany to withdraw from the world.

They simply compel us by the mere force of necessity to participate in it under all circumstances even when the form of our participation perhaps does not suit one country or another.

Blames Others for Slump

In this connection I must add that the reproach that world trade is declining through the German methods of a mutual exchange of goods can, if it is correct at all, only be addressed to those who are to blame for this development, and they are the States with an international capitalistic outlook, who by their currency manipulations have arbitrarily destroyed every fixed relationship between individual currencies as it suited their own egoistic needs.

But under these circumstances the German system of exchanging for every piece of honest work an equally honest piece of work is a more decent practice than payment in foreign currency which a year later will be devalued by 30 and so much per cent.

If certain countries combat the German system this is done in the first instance because through this German method of trading the tricks of international currency and Bourse speculations have been abolished in favor of honest business transactions.

Germany, moreover, does not force her trading methods upon anybody else, but neither does she let any parliamentary democrat lecture her on the principles on which she shall or may act. We are buyers of good foodstuffs and raw materials and suppliers of equally good commodities!

It is clear that everything which an economic system cannot produce in the territory in which its own currency circulates can only be imported by an increased turnover in exports. But since, as I have already emphasized, a nation which has an insufficient freedom of movement economically is imperatively forced to import foreign raw materials and foodstuffs, its economic system by doing so is acting under the most imperative force which exists, namely, the force of necessity!

By trying to satisfy the large part of her requirements in her economic domain, which has been developed by the Four-Year Plan, the German nation is freeing foreign markets from German competition.

World Trade Is Necessary

What cannot be solved satisfactorily from the economic point of view with the resources which are actually at our disposal today must find its solution through our participation in world trade.

The German economic policy is subjugated to necessities of such a severity that no sort of threat with capitalistic weapons can restrain us from this course, because, as emphasized already, the power which impels us does not lie in the desire for profits of a few capitalists, but rather in the exigent situation of our whole people, a situation forced on us for no good reason through somebody else's fault.

And it is completely immaterial what regime attends to the interests of the German nation; all that matters is that they are attended to.

That is to say, no other regime could ignore the present economic necessities. It would have to follow exactly the same course as the present regime unless in neglect of its duties it chose to expose a great nation to ruin, not only economically but also culturally. The effects of the reparations policy have not only cured the German people of a number of illusions but of numerous economic ideologies and financial dogmas that bordered on sanctity.

If even today we see clearly that the German people do so. Under the compulsion of this need we have learned

in the first place to take full account of the most essential capital of a nation, namely, its capacity to work.

Smile at Gold Basis Era

All thoughts of a gold reserve and foreign exchange fade before the industry and efficiency of well-planned national productive resources. We can smile today at an age when economists were seriously of the opinion that the value of currency was determined by the reserves in gold and foreign exchange lying in the vaults of the national banks and, above all, was guaranteed by them.

Instead of that we have learned to realize that the value of a currency lies in a nation's power of production, that an increasing volume of production sustains a currency, and could possibly raise its value, whereas a decreasing production must, sooner or later, lead to a compulsory devaluation. And at a time when the financial and economic problems of other countries are predicting our collapse every three or six months, the National Socialist State was able by increasing production to the utmost to stabilize its currency.

A natural ratio was established between expanding production and money in circulation. Stable prices, which were maintained at all cost, were rendered possible only by stable wages. And what has been distributed in Germany in the last six years in the way of increasing national income is in proportion to the increased production, that is,

to the increased amount of work done.

Thus it has become possible not only to allow these 7,000,000 unemployed to earn wages but also to assure for their higher income a stable purchasing power, that is to say, to every mark paid out to them there corresponds immediately in the same ratio an increase of value in our national production. In other countries the reverse method has been adopted.

In other countries production is decreased, the national income is raised by raising wages, the purchasing power of their money thereby sinking till they finally end up by devaluing their currency. I admit the German course is apt to be less popular because it means nothing less than that every raise in wages must necessarily come from an increase in production, that production thus is primary, an increase in wages secondary or, in other words, the absorption of 7,000,000 unemployed in trades and industry is or was not chiefly a wage problem but purely and simply one of production.

But it is not till the last labor resources in Germany are utilized that the further increase in the total amount of work done, whether through more intensive work or a greater degree of rationalization of technical processes, will lead to a more extensive participation of the individual in the increased consumption and in that way to a practical increase in wages.

At Top of Food Supply

We are, however, all sure of one thing, gentlemen: that in one respect such an increase in our production cannot take place, viz., in respect of our food supply. What the German farmer manages to produce from the German soil is astounding and hardly believable. He deserves our highest thanks.

At one point, however, nature sets the limit to any further intensification of effort, that means, if such things do take place, that German consumption power would find its natural limitation in the maximum of production of food supplies. The situation which would then arise could only be overcome in two ways:

First, by means of additional imports of foodstuffs and increased exports of German products, which would necessitate the importation of at least some of the raw materials necessary for their manufacture, with the result that only a proportion of imports received would be available for the purchase of foodstuffs, or

Second, the extension of our nation's living space so that in our domestic economy the problem of Germany's food supplies can be solved.

As the second solution is for the time being not yet feasible, by reason of the continued blindness of the one-time victorious powers, we are forced to occupy ourselves with the first; in other words, we have to export in order to buy foodstuffs and, moreover, as these exports re-

quire raw materials, all of which we do not possess, we are forced to export still more in order to assure ourselves of these extra raw materials.

This necessity is consequently not of a capitalistic kind, as perhaps may be the case in other countries, but arises out of the uttermost need a nation can meet with, namely, the need for its daily bread.

And when in this matter statesmen of other countries threaten us with I do not know what sort of economic counter-measures, they only give the assurance that in such a case a desperate economic struggle would ensue, which would be easy for us to carry out, easier for us than for the ever-satiated nations because our leading idea would be a very simple one: the German nation must live; that means export or die.

Able to Carry on Trade War

And I assure all the international skeptics that the German nation will not die, least of all for this reason, but that it will live. If need be it will place all the production resources of our new National Socialist community at the disposal of its leaders to begin such a struggle, and to see it through. . . .

In 1933 and 1934 I made one offer after another to set reasonable limits to armaments. They were coldly rejected, as was the claim for the return of the stolen German colonial possessions. If these gifted statesmen and politicians in the other countries draw up an account of the net profits which have accrued to them from the military and political inequality for which they have so persistently contended, then they will perhaps hardly be able to contest that they have already paid far too much for their supposed military superiority, and the wonderful colonial possessions they took from Germany.

Economically it would have been wiser to have reached a reasonable and prudent agreement with Germany in regard to the colonies and European politics, rather than to have taken a course, which perhaps yields enormous dividends to the international armament profiteers, but at the same time forces the gravest burdens on the nations.

I estimate that the 3,000,000 square kilometers of the German colonial possessions which have fallen to England and France, together with the refusal to accept Germany on a basis of political and military equality, will in a short time have cost England alone 20,000,000,000 gold marks; and I am afraid that in the not too distant future this sum will increase at an even greater rate with the result that, far from yielding golden profits, the former German colonies will cost a great deal.

"Struggling for Vital Right"

The objection could be raised that this would also apply to Germany. Granted that it is a great pleasure for us to see the difference

ence between us: We are struggling for a vital right, without which we cannot in the long run live, whereas the others are struggling to uphold an injustice which is only a burden to them and yields no profit whatsoever.

Under the present circumstances the only way open to us is to continue our economic policy of trying to produce the utmost from the territory at our disposal. This compels us to intensify our efforts in all branches, in order to expand production. This, in turn, forces us to carry out the Four-Year Plan more resolutely than ever. This means we must further utilize our labor resources, and here we are approaching a new period in Germany's economic policy.

During the first six years since the assumption of power, it has been the goal of our economic policy to direct idle labor resources into useful occupations; it is the task and aim of the coming years to review all the resources of working capacity we have, to plan their organization by means of rationalization, and to achieve by better technical organization and conditions of work, with the same effort to obtain better results, and in that way to save ability and energy for the raw new supplementary branches of production.

This in turn forces us to open the capital market to a greater degree for the purpose of the technical development of our enterprises, and conversely to relieve it from calls made by the State. To this purpose, trade and industry, and finance must necessarily be more closely concentrated. In this connection I am resolved to complete the transformation of the Reichsbank, begun Jan. 30, 1937, changing it from a bank under international influence to a purely German bank of issue.

All Institutions to Be Nazi

If some other countries complain that thereby another German undertaking would lose its international features and characteristics, then we can only reply that we are absolutely determined that every institution in our national life shall have primarily German, that is, National Socialist features.

And this applies to a nation to the rest of the world, so strong it is to reproach us with wanting to foist German ideas on other countries, and how much more justified National Socialist Germany would be in complaining that the other countries still try incessantly to force their views on us.

Today, gentlemen, I regard it as the duty of every German to understand the economic policy which the Reich Government is pursuing and to give every possible support thereto. Above all, to remember, both in town and country, that it has its foundation not in some financial theory or other but in a very simple realization of the function of production; that is, in an understanding of the fact that it is the amount of goods produced that is decisive.

The fact that we have other supplementary problems to face, that

we are obliged to employ a large percentage of our national labor power for national armaments which are not in themselves productive, is to be regretted but cannot be helped. Ultimately the economic structure of present-day Germany is bound up for better or for worse with the political security of the State. It is better to realize this in good time.

Therefore I regard it as the supreme duty of the National Socialist Government to do everything within human power to strengthen our national defenses.

Only here on the understanding of the German people and, above all, of its own recollection. For the period in which Germany was defenseless was not one in which we enjoyed any particular

equality of right, whether internationally, politically or economically. It was rather one marked by the most humiliating treatment ever meted out to a great nation, and by the direst extortion.

Charges Plots of War

We have no reason to assume that if at any time in the future Germany were to suffer a second fit of weakness her fate would be different. On the contrary, some of those very men who once hurled the firebrands of war into the world are still at work today, as driving forces or driven instruments for the stirring up of the peoples, endeavoring to keep up enmities and so prepare the way for a new outbreak of strife.

You in particular, gentlemen, should bear one thing in mind:

In certain democracies it is apparently one of the special prerogatives of political-democratic life to cultivate an artificial hatred of the so-called totalitarian States. A flood of reports, partly misrepresentations, fact, partly pure inventions, are kept loose, the aim being to stir up public opinion against nations which have nothing to harm the other nations and have no desire to harm them, and which indeed have been for years the victims of harsh injustice.

When we defend ourselves against such agitators as Churchill, Duff Cooper, Eden or Ickes and the rest, our action is denounced as encroachment on the sacred rights of the democracies. According to the way these agitators see things, they are entitled to attack other nations and their governments, but no one is entitled to defend himself against such attacks.

I need hardly assure you that as long as the German Reich continues to be a sovereign State, no English or American politician will be able to forbid our government to reply to such attacks. And the arms that we are forging are our guarantee for all time to come that we shall remain a sovereign State—our arms and our choice of friends.

Ridicules American Fears

Actually the assertion that Germany is planning an attack on America could be disposed of with a mere laugh. As one would prefer to pass over in silence that incessant agitation of certain British warmongers, but we must not forget this:

First, owing to the political structure of these democratic States, it is possible that a few months later these warmongers might themselves be in the government.

We, therefore, owe it to the security of the Reich to bring home to the German people in good time the truth about these men. The German nation has no feeling of hatred toward England, America or France. All it wants is peace and quiet.

But these other nations are continually being stirred up to hatred of Germany and the German people by Jewish and non-Jewish warmongers. And should the warmongers achieve what they are aiming at, our own people would be landed in a situation for which they would be psychologically quite unprepared and which they would thus fail to grasp.

Attacks Will Be Answered

I therefore consider it necessary that from now on our Propaganda Ministry and our press should always make a point of answering these attacks and, above all, bring them to the notice of the German people. The German nation must know who the men are who want to bring about a war by hook or by crook.

It is my conviction that these people are mistaken in their calculations, for when once National Socialist propaganda is devoted to the answering of attacks, we shall succeed just as we succeeded inside Germany herself in overcoming, through the convicting power of our propaganda, the Jewish world enemy.

The nations will in a short time realize that National Socialist Germany wants no enmity with other nations, that all the assertions as to our intended attacks on other nations are lies—lies born out of morbid hysteria or of a mania for self-preservation on the part of certain politicians; and that in certain States these lies are being used by unscrupulous profiteers to salvage their own finances, that, above all, international Jewry may hope in this way to satisfy its thirst for revenge and gain, that on the other hand this is the grossest defamation that can be brought to bear on a great and peace-loving nation.

Never, for instance, have German

soldiers fought on American soil unless it was in the cause of American independence and freedom; but American soldiers were brought to Europe to help strangle a great nation that was striving for its freedom.

Germany did not attack America, but America attacked Germany, as the committee of investigation of the American Senate concluded, from purely capitalist motives, without any other cause. But there is one thing that every one should

realize: These attempts cannot influence Germany in the slightest in the way in which she settles her Jewish problem.

Sympathy Is "Shameful"

On the contrary, in connection with the Jewish question, I have this to say: It is a shameful spectacle to see how the whole democratic world is oozing sympathy for the poor tormented Jewish people, but remains hard-hearted and obdurate when it comes to helping them, which is surely, in view of its attitude, an obvious duty. The arguments that are brought up as an excuse for not helping them actually speak for us Germans and Italians.

For this is what they say: First, "We"—that is, the democracies—"are not in a position to take in the Jews." Yet in these empires there are not even ten people to the square kilometer. While Germany with her 140 inhabitants to the square kilometer is supposed to have room for them!

Second, they assure us: "We cannot take them unless Germany is prepared to allow them a certain amount of capital to bring with them as immigrants."

For hundreds of years Germany was good enough to receive these elements, although they possessed nothing except infectious political and physical diseases. What they possess today, they have to by far the largest extent gained at the cost of the less astute nations by the most reprehensible manipulations.

Today we are merely paying this people what they deserve. When the German nation was, thanks to the inflation instigated and carried through by Jews, deprived of the entire savings that it had accumulated in years of honest work, when the rest of the world took away the German nation's foreign investments, when we were divested of the whole of our colonial possessions, these philanthropic considerations evidently carried little noticeable weight with democratic statesmen.

Today I can only assure these gentlemen that, thanks to the brutal education with which the democracies favored us for fifteen years, we have completely hardened to all attacks of sentiment. After more than 800,000 children of the nation had died of hunger and undernourishment at the close of the war, we witnessed almost 1,000,000 head of milking cows being driven away from us in accordance with the cruel paragraphs of a dictate that the humane democratic apostles of the world forced upon us as a peace treaty.

Prisoners Held After War

We witnessed over 1,000,000 German prisoners of war being retained in confinement for no reason at all for a whole year after the war was ended. We witnessed over one and a half million German prisoners being torn from the territories lying on our frontiers, and being whipped out with practically only what they wore on their backs.

We had to endure having millions of our fellow-countrymen torn from us without their consent, and without their being afforded the slightest possibility of existence. I could supplement these examples with dozens of the most cruel kind. For this reason we asked to be spared all sentimental talk.

The German nation does not wish its interests to be controlled by any foreign nation. France to the French, England to the English, America to the Americans, and Germany to the Germans. We are resolved to prevent the settlement in our country of a strange people that was capable of snatching for itself all the leading positions in the land, and to oust it.

For it is our will to educate our own nation for these leading positions. We have hundreds of thousands of very intelligent children of peasants and of the working classes. We shall have them educated—in fact, we have already begun—and we wish that one day they, and not the representatives of an alien race, may hold the leading positions in the State altogether with our educated classes.

Above all, German culture, as its name alone shows, is German and not Jewish, and therefore its management and care will be entrusted to members of our own nation. If the rest of the world cries out with a hypocritical mien against this barbaric domination of any of such an inappreciable and culturally eminently valuable element, we can only be astonished at this reaction.

For how thankful they must be that we are releasing apostles of culture and placing them at the disposal of the rest of the world. In accordance with their own declarations they cannot find a single reason to excuse themselves for refusing to receive this most valuable race in their own countries.

Nor can I see a reason why the members of this race should be imposed upon the German nation, while in the States that are so enthusiastic about these "splendid people" their settlement should suddenly be refused with every imaginable excuse. I think the sooner this problem is solved the better, for Europe cannot settle down until the Jewish question is cleared up.

It may very well be possible that sooner or later an agreement on this problem may be reached in Europe, even between those nations that otherwise do not so easily come together.

The world has sufficient space for settlement, but we must once and for all get rid of the opinion that the Jewish race was only created by God for the purpose of being in a certain percentage a parasite living on the body and the productive work of other nations. The Jewish race will have to adapt itself to sound constructive activity as other nations do, or sooner or later it will succumb to a crisis of an inconceivable magnitude.

One thing I should like to say on this day, which may be memorable for others as well as for us Germans: In the course of my life I have very often been a prophet and have usually been ridiculed for it.

During the time of my struggle for power, it was in the first instance the Jewish race that only received my prophecies with laughter when I said that I would one day take over the leadership of the State and with it that of the whole nation and

that I would then, among many other things, settle the Jewish problem.

Their laughter was uproarious, but I think that for some time now they have been laughing on the other side of their face. Today I will once more be a prophet. If the international Jewish financiers in and outside Europe should succeed in plunging the nations once more into a world war, then the result will not be the bolshevization of the earth, and thus the victory of Jewry, but the annihilation of the Jewish race in Europe!

Propaganda Weapons Available

For the time when the non-Jewish nations had no propaganda is at an end. National Socialist Germany and Fascist Italy have institutions that enable them when necessary to enlighten the world about the nature of a question of which many nations are instinctively conscious, but which they have not yet clearly thought out.

At the moment Jews in certain countries may be fomenting hatred under the protection of a press, of the film, of wireless propaganda, of the theatre, of literature, etc., all of which they control.

The nations are no longer willing to die on the battlefield that this unprincipled international race may profit from a war. To satisfy its Old Testament vengeance, the Jewish watchword, "Workers of the world, unite!" will be conquered by a higher realization, namely, "Workers of all classes and of all nations, recognize your common enemy!"

Among the outcries against Germany raised today in the so-called democracies is the assertion that National Socialist Germany is an anti-religious State. I therefore wish to make the following solemn declaration to the whole German nation:

1. No one in Germany has hitherto been persecuted for his religious views, nor will any one be persecuted on that account!

2. The National Socialist State, since Jan. 30, 1933, has, through its State organs, placed the following sums accruing from public taxes, at the disposal of both churches:

The Evangelical Church received, financial year 1933, reichsmarks 130,000,000; financial year 1934, reichsmarks 170,000,000; financial year 1935, reichsmarks 250,000,000; financial year 1936, reichsmarks 320,000,000; financial year 1937, reichsmarks 400,000,000; financial year 1938, reichsmarks 500,000,000.

To the above sums must be added approximately 85,000,000 reichsmarks per annum of additional payments made by the various German States, and a further 7,000,000 reichsmarks per annum from the parishes and parish unions. Incl-

dentally, the churches are the biggest property owners in the country after the State itself.

The value of agricultural and forestry properties owned by them exceeds 10,000,000,000 reichsmarks; their income therefrom is probably more than 300,000,000 reichsmarks per annum. In addition to all this come numerous gifts, legacies and, above all, the sums collected in church.

Moreover, the church in the National Socialist State receives favorable treatment in many tax matters—gifts, legacies, etc., to it being tax free.

It is therefore a piece of impertinence—to put it mildly—for foreign politicians, of all people, to talk about hostility to religion in the Third Reich. If, however, the German churches really should regard this position as unbearable, the National Socialist State would be at any time prepared to make a clear separation between church and State such as prevails in France, America and other countries.

I should only like to ask this question: what sums have France, England or America paid to their churches through the State within the same period of time?

3. The National Socialist State has neither closed any church nor prevented any service from being held, nor has it ever influenced the form of a church service. It has neither interfered with the doctrinal teaching nor with the creed of any denomination.

But the National Socialist State will ruthlessly make clear to those clergy who, instead of being God's ministers, regard it as their mission to speak insultingly of the Third Reich, its organization of leaders; that no one will tolerate a destruction of this State and that a clergy that places itself beyond the pale of the law will be called to account before the law like any other German citizen.

Let it be mentioned, however, that there are tens of thousands of clergy of all Christian denominations who fulfill their ecclesiastical duties just as well or probably better than the political agitators, without ever coming into conflict with the laws of the State. The State considers their protection its task. The destruction of the enemies of the State is its duty.

4. The National Socialist State is neither prudish nor deceitful. There are, however, certain moral principles adherence to which is in the interests of the biological health of a nation, and with which we tolerate no tampering. Pederasty and sexual offenses against children are punishable by law in this State, and no matter who commits such crimes.

When, some five years ago, certain heads of the National Socialist

party were found guilty of these crimes, they were shot. When other persons in public or private life, even priests, are guilty of such offenses, they are, according to law, sentenced to terms of imprisonment or have to undergo some other form of ours if priests make other vows, such as chastity.

Not a single word about that has ever been published in our press.

For the rest, this State has only once interfered in the inner organization of the churches. This happened in 1933, when I myself attempted to unite the hopelessly disrupted regional churches in Germany into one large and powerful Reich church.

The attempt failed, owing to the opposition of some of the regional Bishops. In consequence, no further efforts were made; after all, it is not our task to defend the Protestant Church or even to strengthen it by forcible means in face of the opposition of its own supporters!

There can be only political reasons for other countries and for certain democratic statesmen in particular in taking up cudgels on behalf of individual German clergy, for these same statesmen were silent when hundreds of thousands of priests were persecuted and burned in Russia; they were silent when in Spain tens of thousands of priests and nuns were massacred with bestial cruelty and burned alive. They could not, and cannot, deny these facts, that they were silent and are silent now.

Reason for Aiding Franco

Meanwhile—I must mention this to the democratic statesmen—it was just because of such butchery that numerous National Socialist and Fascist volunteers placed themselves at the disposal of General Franco in order to help him in his efforts to prevent Bolshevik lust for blood from spreading over Europe and over the greater part of the civilized world.

It was anxiety for European culture and for real civilization that compelled Germany to take sides in the fight carried on in Nationalist Spain against the Bolshevik destroyers. It does not say much for the mentality predominant in various countries that cannot conceive of such a step being taken for purely unselfish reasons.

However, National Socialist Germany sympathized with General Franco's uprising out of a sincere desire to see him succeed in delivering his country from the dangers that at one time had threatened to engulf Germany herself.

Thus it cannot be sympathy, or pity for God's persecuted ministers, that mobilizes the interest of democratic citizens for individual German clergy in conflict with the law, but rather an interest in the enemy of the German State.

Let one thing, however, be borne in mind in this connection: We shall protect the German clergy in their capacities as God's ministers, but we shall destroy clergy who are enemies of the German Reich.

We believe that in so doing we shall be able to prevent more easily a development of affairs that—as Spain has taught—might all too easily call for defensive measures of inconceivable proportions.

I should, therefore, like to add the following explanation, based on these principles:

It would appear that opinion is rife among certain circles in other countries that, if voiced loudly enough, expressions of sympathy

for elements who are in conflict with the laws of the State might bring about an amelioration of their situation. Perchance they hope that by employing certain publicity methods they may be able in this way to exercise a terroristic influence on the German Government.

Foreign Aid to Treason

This is a capital error. We find the final proof of their treasonable character when certain activities hostile to the State are supported by foreign countries. Mere opposition to a regime has never yet been sufficient to secure the sympathy of democratic countries, nor does the persecution or punishment of one such political criminal.

For was there ever a stronger opposition in Germany than that of National Socialism? Never was an opposition suppressed, persecuted and hounded by such base means as were employed against the National Socialist party in its opposition days. But to our honor we can maintain that we never for that reason enjoyed the sympathy, much less the support, of any foreign power.

It appears, then, that this support was intended only for those who were aiming at the destruction of the National Socialist Reich. And for this reason we shall see in this support in every single case merely a compelling reason for intensifying our measures.

In view of the dangers that threaten all around us, I appreciate it as a piece of great good fortune to have found in Europe and outside it States that, in the same way as the German nation, are compelled to carry on a struggle to safeguard their existence. I refer to Italy and Japan.

In the Western World of today the Italians, as the descendants of the ancient Romans, as we Germans, as the descendants of the Germanic peoples of those times, are the oldest peoples—and our relations with each other reach farther back than do those between any other nations.

In my speech in the Palazzo Venezia on the occasion of my visit to Italy, I pointed out that it was indeed a calamity that the mightiest civilized nation of the ancient world and the young nation of a new world in process of formation should, owing to the absence of a natural dividing line and under the influence of many other circumstances, become involved in centuries of fruitless conflict.

Great Debt to Ancient World

But out of the contacts of a thousand years there grew up a sense of community; and this community must only have its roots in countless racial ties, but it developed an immeasurable historical and cultural significance. The debt that the Germanic peoples owe to the ancient world as regards the organization of the State, consequently, national development, as well as in the sphere of civilization in general, cannot be estimated in detail, and is in its sum total immense.

Since then nearly 2,000 years have passed. And now we too have

made our own abundant contribution to civilization. But we have always maintained close spiritual ties with the Italian people and with its cultural and historical past. In the nineteenth century there was a strangely similar process of unification. The German peoples became united in the German Reich, and the Italian States were

united in the Kingdom of Italy. In the same year—1866—both nations were fated to take up arms simultaneously for the new form that their State was to assume.

Today we are experiencing this parallel development for the second time. A man of outstanding historic importance was the first to bring a new idea to oppose the democratic notions that had become barren in this people and to carry this idea to victory within a few years. It is hard to estimate the significance of fascism for Italy.

What fascism has done for the preservation of civilization is yet incalculable. No country, though Rome or Athens, without being moved at the thought of the fate that all these unique documents of human art and civilization would have suffered if Mussolini and his Fascist movement had not succeeded in saving Italy from bolshevism? Germany was faced with this same danger.

Nazism to the Rescue

Here National Socialism came miraculously to the rescue. In the imagination of countless individuals of every race, they believe a new Renaissance in our day is linked with these two States. The solidarity of these two regimes is therefore more than a matter of egoistic expediency.

On this solidarity is founded the salvation of Europe from its threatened destruction by Bolshevism. For this reason Germany stood by Italy when she fought her heroic struggle for her vital rights in Abyssinia. In 1938 Fascist Italy repaid us abundantly for this act of friendship.

Let no one in the world make any mistake as to the resolve that National Socialist Germany has made so far as this friend is concerned. It can only serve the cause of peace if it is quite clearly understood that a war of rival ideologies waged against the Italy of today will, once it is launched and regardless of its motives, call Germany to the side of her friend.

Above all let no one be ill-advised by those isolated bourgeois weaklings who vegetate in every country and who cannot understand that in the life of nations it is not necessarily cowardice but also courage and honor that may prompt wisdom.

As regards National Socialist Germany, she is well aware of the fate that awaits her if ever an international power, whatever its motive, should succeed in overcoming Fascist Italy.

We realize the consequences that would follow upon such an event and face them unflinchingly. The fate of Prussia in 1805 and 1806 will not be repeated a second time

in German history. Weaklings like the advisers of the King of Prussia in 1805 will not be asked their opinion in the Germany of today. The National Socialist State realizes the danger and is determined to take all steps to counteract it.

I know, too, that not only our defense forces but also Italy's military power, are equal to the severest military requirements. Just as it is impossible to judge the present German army by the standards of the army of the German Bund of, say, 1848, so it is likewise impossible for any evaluation of modern Fascist Italy to be made by the standards of the days when the Italian State was not yet united.

Error of Press Prophecies

Only a hysterical, unteachable, tactless and extremely malicious press can forget in so short a time that only a few years ago it made a thorough fool of itself with its prophecies as to the probable outcome of the Italian campaign in Abyssinia, and it is not one whit better now in its judgment of Franco's national forces in the Spanish campaign.

Men make history. But they also forge the instruments that are suited to the forming of history, and, above all, they give them spirit. Great men, however, are themselves merely the strongest, most concentrated expression of a nation.

National Socialist Germany and Fascist Italy are strong enough to safeguard peace against every one, and to end resolutely and successfully any conflict that irresponsible elements lightly start.

This does not mean that we desire war, as is asserted in the irresponsible press day by day. It simply means that we take this stand because, first, we understand that other nations, too, desire to assure themselves of their share of the world's riches due them by virtue of their number, their courage and their worth; and that, second, in recognition of these rights, we are determined to give common support to common interests.

Above all, however, that we shall never under any circumstances yield to any threats amounting to extortion! Thus our relationship with Japan is determined by the recognition of the need to stem, as we are determined to do, the tide of the threatened bolshevization of a world gone blind, with all the resolution at our command.

The anti-Comintern pact will perhaps one day become the crystallization point of a group of powers whose ultimate aim is none other than to eliminate the menace to the peace and culture of the world instigated by a satanic apparition.

The Japanese nation, which in the last two years has set us so many examples of glorious heroism, is undoubtedly fighting in the service of civilization at the other side of the world.

Bulwark Against Bolshevism

Her collapse would not benefit the civilized nations of Europe or of other parts of the world, but

would only lead to the certain triumph of bolshevism in the Far East. Apart from international Jewry, which is desirous of this development, no people in the world can wish to see this take place.

The tremendous efforts made last year ultimately attained their end by peaceful means, and we would add to our thanks to Mussolini our unreserved expression of gratitude to the two other statesmen who during the critical hours attached greater value to peace than to the preservation of an injustice. Germany has no territorial demands against England and France apart from that for the return of our colonies.

While the solution of this question would contribute greatly to the pacification of the world, it is in no way a precondition that would cause a rift. If there is any tension in Europe today, it is primarily due to the irresponsible activity of an unscrupulous press that scarcely permits a day to go by without disturbing the peace of mankind through alarming news that is as stupid as it is mendacious. . . .

Announcements by American film

companies that they intend to produce anti-Nazi—that is, anti-German—films can but induce us to produce anti-Semitic films in Germany. Here, too, our opponents should not permit themselves any delusions as to the effectiveness of what we can do. There will be very many States and peoples who will show great understanding for supplementary instruction of this kind on such an important subject!

We believe that if the Jewish international campaign of hatred by press and propaganda could be checked, good understanding could very quickly be established between the peoples. It is only such elements that hope steadfastly for a war. I, however, believe in a long peace! For in what way do the interests of England and Germany, for example, conflict?

No Aim at Conflict With Britain

I have stated over and over again and again that there is no German, and, above all, no National Socialist, who even in his most secret thoughts has the intention of causing the British Empire any kind of difficulty. From England, too, the voices of men who think reasonably and calmly express a similar attitude with regard to Germany.

It would be a blessing for the whole world if mutual confidence and cooperation could be established between the two peoples. The same is true of our relations with France.

We have just celebrated the fifth anniversary of the conclusion of our non-aggression pact with Poland. There can scarcely be any difference of opinion today among the true friends of peace with regard to the value of this agreement. . . .

Our relations with Hungary are based on a long and well-proven friendship, a common interest and

on traditional mutual esteem. Germany has gladly undertaken to contribute to the redressing of the wrongs inflicted on that country.

Yugoslavia is a State that has increasingly attracted the attention of our people since the war. The high regard that the German soldiers then felt for this brave people has since been deepened and has developed into genuine friendship.

Our economic relations with this country are undergoing constant development and expansion, just as is the case with the friendly countries of Bulgaria, Greece, Rumania, Turkey, Switzerland, Belgium, Holland, Denmark, Norway, Sweden, Finland and the Baltic States. . . .

The world is to be found in the natural conditions that make it possible for these countries and Germany to complement each others' economic systems.

Peaceful Frontiers Noted

Germany is happy today in the possession of peaceful frontiers in the west, south and north. Our relations with the western and northern States become all the more satisfactory with the increasing tendency in these countries to turn away from certain articles of the Covenant of the League of Nations that involve danger of war.

The addition of Hungary and Manchukuo to the anti-Comintern pact is a welcome symptom of the consolidation of world-wide resistance to the Jewish-International-Bolshevist threat to the peoples of the world.

The relations of the German Reich with the countries of South America are satisfactory, and economic relations with them continue to expand.

Our relations with the United States are suffering from a campaign of defamation carried on to serve obvious political and financial interests, which, under the pretense that Germany threatens American independence, is endeavoring to mobilize the hatred of an entire continent against the European States that are nationally governed.

We all believe, however, that this does not reflect the will of the millions of American citizens who, despite all that is said to the contrary by the gigantic Jewish-capitalistic propaganda through the press, the radio and the films, cannot fail to realize that there is not one word of truth in all these assertions.

Germany wishes to live in peace and on friendly terms with all countries, including America. Germany refrains from any intervention in American affairs and likewise decisively repudiates any American intervention in German affairs.

The question, for instance, as to whether Germany maintains economic relations and does business with the countries of South and Central America, concerns nobody but them and ourselves.

Germany anyway is a great and sovereign country and is not subject to the supervision of American politicians.

Quite apart from that, however, I feel that all States today have so many domestic problems to solve that it would be a piece of good

fortune for the nations if responsible statesmen were to confine their attentions to their own problems. . . .

We may now regard this process of growth of the German nation as virtually completed. The greater German Reich now embodies our people's entire struggle for existence over 2,000 years.

All streams of German blood flow into the Reich, and there are united in it all past traditions, their symbols and standards, and above all the great men of whom Germans of past periods have reason to be proud. . . .

As we include them in this great Reich in the future, we have revealed in all its glory. Let us thank Almighty God that He has granted to our generation and to us the great blessing of experiencing this period of history and this hour.

Principal Points Made By CHANCELLOR Hitler

Berlin, Jan. 30—Following are highlights of Adolf Hitler's address today to the Reichstag:

Nationalist Socialist Germany and Fascist Italy are strong enough to secure their peace against everybody, or determinedly to end a conflict of recklessness entered into by irresponsible forces.

This does not mean we want war. . . .

Our relations with Japan are likewise founded upon the knowledge and decision to call a halt to threatening Bolshevism. The world become blind.

Germany has no territorial demands to make upon England and France except that of the restoration of our colonies.

Europe cannot come to rest until the Jewish question has been settled.

If it should become possible once more to push the peoples into a world war, the result would not be Bolshevization of the earth but the destruction of the Jewish race in Europe.

... There is no doubt about it that a war against the Italy of today launched for no matter what motive will call Germany to the side of her friend.

If there is tension today in Europe this is due in the first place to the irresponsible machinations of a conscienceless press.

Our relations with the United States are suffering from a campaign of defamation carried on to serve obvious political and financial interests. . . .

Now when we defend ourselves against apostles of war like Duff Cooper, Mr. Eden, Mr. Churchill or Mr. Ickes, this is represented as interference with the sacred rights of democracy.

After all, German soldiers have never yet fought on American soil except in the service of American

independence. On the other hand, American soldiers were called to Europe to help strangle a nation that was struggling for its freedom.

No people has been born to be

have-nots and no people to be haves.

The question . . . as to whether Germany maintains economic relations and does business with the countries of South America and Central America concerns nobody but them and ourselves.

The German colonial possessions which the Reich once acquired in peace through treaty and purchase have been stolen from us, and that against the solemn assurances of President Wilson which were the basis of our laying down arms.

The National Socialist Germany in the near future will attack or divide up North or South America, Australia, China or even the Netherlands . . . could be complemented only by the prophecy that as a sequel we had the intention of immediately occupying the full moon.

The lack of an economic area of its own wherein it can develop compels Germany to satisfy its needs for existence by ever-increasing participation in international world trade and thereby in exchange of goods. . . .

The compulsion under which Germany's economic policy stands now is so great that no threat of capitalistic measures can keep us from this activity (the barter system) for the necessity does not arise from

Chamberlain Holds Up Speech

Delays Writing Message to Commons Until After He Hears Der Fuehrer.

LONDON, Jan. 30 (A. P.).—Prime Minister Neville Chamberlain, facing opposition in a foreign affairs debate in the House of Commons with a reshuffled Cabinet, was represented as being much more concerned about the speech Adolf Hitler makes tonight in Berlin.

capitalistic greed for gain, but from the exigencies forced upon us by the fault of others and for no other use.

The German people either live—meaning export—or they die.

As for its (Germany's) leaders, I can only state that they are ready for everything.

So vital was Herr Hitler's address to the rickety European peace framework that Mr. Chamberlain delayed writing his parliamentary speech until after Der Fuehrer has spoken.

Mr. Chamberlain was expected to confer with close Cabinet advisers immediately upon the conclusion of the German Chancellor's remarks.

In his own speech in Birmingham Saturday the British Prime Minister invited Hitler to make some peace gesture. Observers here, however, were skeptical about results.

Reassembling tomorrow after the Christmas recess that began December 22, the House of Commons will lose no time in going into what is expected to be an angry debate on foreign affairs. The members are specifically eager to hear Mr. Chamberlain's report on his talks with Premier Benito Mussolini in Rome earlier this month.

The plight of the Spanish Loyalist Government and Britain's attitude toward Italy's colonial demands upon France were among the many foreign questions to be debated.

Waging War in Words.

Europe is waging a "war of words" in an effort not to go to real war.

Following Mr. Chamberlain and Herr Hitler to the speakers' rostrum, Premier Mussolini will speak in Rome Wednesday, when he reviews Blackshirt troops on the sixteenth anniversary of the Fascist militia. Il Duce may give a clearer picture at that time of just what concessions he wants from France.

Further changes such as the Saturday shake-up which brought Admiral of the Fleet Lord Chatfield into the Cabinet as Minister for Co-ordination of Defense appeared unlikely following a conference between Mr. Chamberlain and R. S. Hudson, secretary of the Overseas Trade Department. Mr. Hudson was the leader of a junior Ministers' revolt against policies of War Minister Leslie Hore-Belisha and Sir Thomas Inskip, former Minister for Co-ordination of Defense.

Offered to Resign.

After the Chamberlain-Hudson conference authoritative sources said that Mr. Hudson would stay in the Government, apparently acquiescing in Mr. Chamberlain's reiteration of confidence in Mr. Hore-Belisha.

Mr. Hudson was said to have offered to resign, but Mr. Chamberlain was represented as seeing no reason to accept the resignation.

Mr. Chamberlain's junior, the Marquess of Dufferin and Ava, Under-Secretary of State for Colonies, also was expected to remain

at his post in view of Mr. Hudson's reported decision.

Mr. Hudson, the Marquess, and Lord Strathcona and Mount Royal, Under-Secretary of State for War, had demanded greater efficiency in rearmament. Lord Strathcona and Mount Royal was forced to resign in Saturday's reconstruction.

Lord Chatfield replaced Sir Thomas Inskip, who took the Dominion's portfolio which Malcolm MacDonald had held along with the Secretaryship of the National Farmers Union and a retired farmer, replaced W. S. Morrison, Minister of Agriculture who, like Sir Thomas, had been a constant target of criticism.

Earl Baldwin Warns Against Idea Britain Is Afraid To Fight

[By the Associated Press]

London, Jan. 30.—Earl Baldwin, former Prime Minister of England, speaking tonight at the same time Adolf Hitler was voicing a German demand for colonies, warned it would be a "dangerous illusion" to imagine England was afraid to fight.

If war should come, he declared, "we will fight with a unanimity never seen before."

Delivering a speech in which he admitted the parts deploring the world armament race had been discussed with Prime Minister Chamberlain, Lord Baldwin said in a Worcester women's national service recruitment meeting:

Warns Of Legacy Of Hate

"It is sad to see Hitler and Mussolini compromising the opportunity of their own class (working class) to improve a low standard of living by keeping

them at work making ammunitions for a bloody war."

Earl Baldwin said war in Europe would leave a legacy of hate and anarchy, yet "unless the will to peace exists in the hearts and souls of all leaders in Europe there will come a time when war will be inevitable."

In the course of his address the former Prime Minister disclosed that he was a coauthor of Mr. Chamberlain's appeasement policy of personal contacts with the heads of European governments.

Passed Task To Chamberlain

In discussing such a policy with Mr. Chamberlain when the latter succeeded him in May, 1937, he said he told his successor, "I wish I could have done it myself, but my bolt is shot. It will be your task and the blessings of mankind will be yours if you can steer this country and Europe through the next two or three years into paths of peace."

The former Premier made no mention of Hitler's speech. Treatment of that speech was reserved for Mr. Chamberlain's full press conference affairs debate in the House of Commons tomorrow.

Royal Ship To Keep All Guns

British concern over European tension was clearly indicated, however, by an admiralty announcement that plans had been changed by which the 32,000-ton battlecruiser, Repulse, would retain her full armaments during the royal visit to Canada and the United States next May and June.

The original intention had been to remove the four 8-inch anti-aircraft guns of the Repulse to give King George and Queen Elizabeth greater accommodations.

Premier Rejects Election Idea

It was learned on high authority today that Mr. Chamberlain has rejected the idea of holding an early general election. His decision was reached, it was said, in view of the worsening of the international situation and the start of the Government's national defense program.

In his speech before the Commons tomorrow, Mr. Chamberlain is expected to explain to the opposition why Britain refuses to sell arms to the hard-pressed Spanish Government.

He also is expected to describe his conversations with Premier Benito Mussolini in Rome early this month.

Hitler's Speech Viewed as Reply To Roosevelt

WASHINGTON, Jan. 30 (AP).—

The Hitler speech was regarded by some officials here as a direct reply to the challenge President Roosevelt's opening in Congress, in which the President upheld democracy as contrasted with dictator rule.

A number of officials of the State Department listened and then read telegraphic accounts of it. They reserved official comment until after a complete study.

Observers close to the State De-

partment regarded as highly significant Hitler's declaration that Germany would support Italy in any fight. They feared this might encourage Mussolini to take strong action in furtherance of his territorial demands upon France.

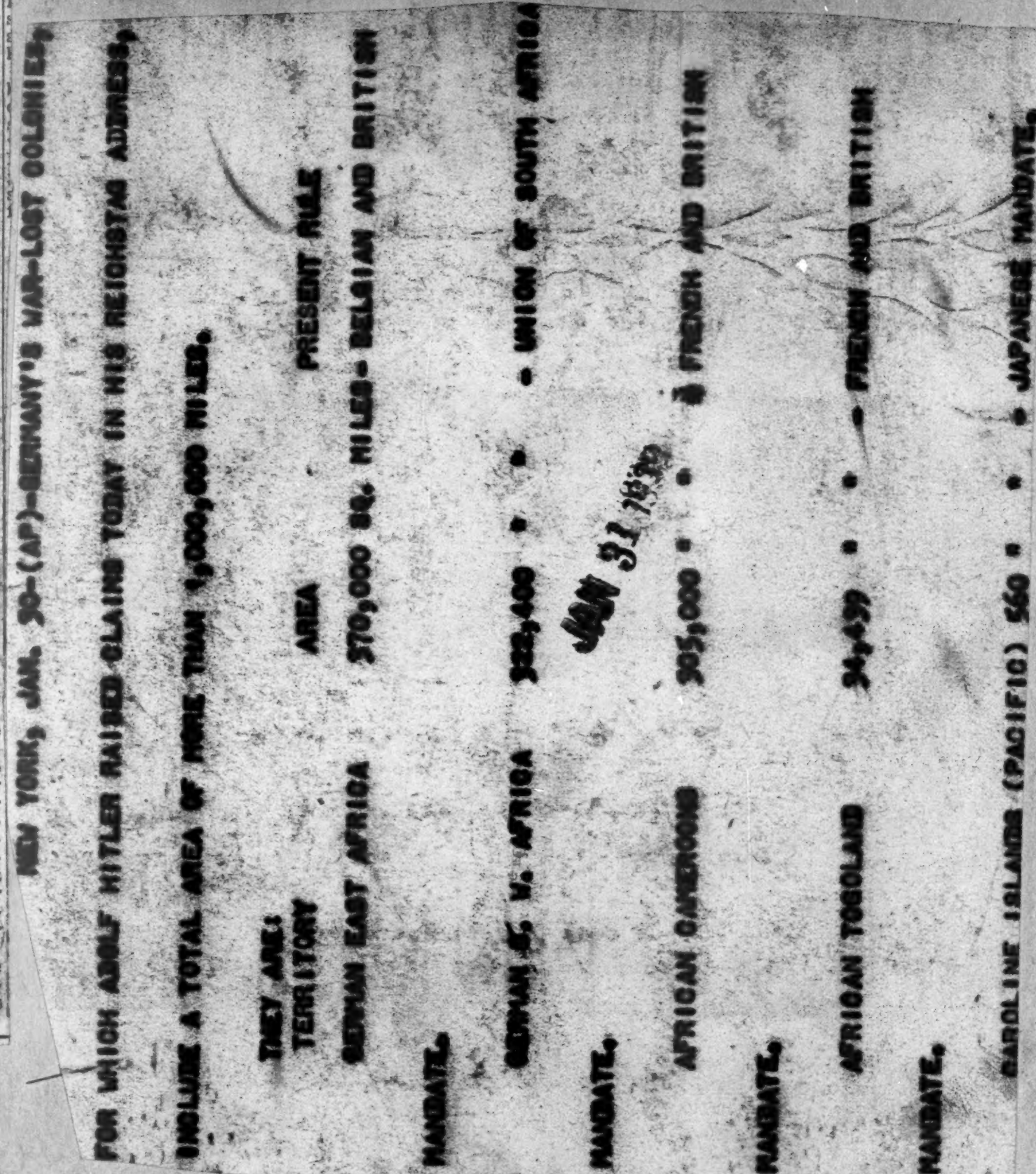
Principal interest here, however, centered on Hitler's remarks about relations with the United States, in view of their present strained state. He was regarded as referring to President Roosevelt and the United States when he said "we live in a time filled by the shrieks of democratic uplifters," and added that "spokesmen for these (democratic) countries laud their superiority of the democracies. They may do it so far as their countries are concerned, but we have absorbed 7,000,000 unemployed, thanks to our regime."

Comment was also heard on Hitler's statement that the United States, inspired by "capitalistic considerations," had attacked Germany, but that the Nazis had not attacked America. Officials pointed to the statement Under Secretary of State Sumner Welles made to Hans Thomsen, German charge d'affaires here, on Dec. 22, when Thomsen protested against a speech made by Secretary of the Interior Harold L. Ickes.

Welles then told Thomsen he had rarely read more unjustifiable criticism of Germany than that which the German press against the President of the United States and members of the American Cabinet. He implied that, since the German press was controlled by the government, the attacks were permitted, if not inspired, by the government.

American trade experts were keenly interested by Hitler's statement that Germany must have either increased markets for her manufactured goods or else freer access to raw materials. They believed this meant Hitler was determined to continue his barter system, as was indicated by his recent appointment of Economics Minister Walther Funk as Reichsbank president in place of Dr. Hjalmar Schacht.

The United States could therefore look for increased German competition in Latin America, it was thought.



TSINGTAO AREA, CHINA 200 • • JAPANESE BY CONQUEST

FROM CHINA.

MARSHALL ISLANDS (PACIFIC) 153 SQ. MILES JAPANESE MANDATE

MAURU ISLAND (PACIFIC) 1 1/2 • • BRITISH MANDATE

NEW GUINEA (PACIFIC) 93,000 • • AUSTRALIAN

MANDATE.

GERMAN SAMOA (PACIFIC) JAN 31 1939 1,300 • • NEW ZEALAND

MANDATE.

TOTAL AREA: 1,127,095 1/2 SQ. MILES.

-EDS-CLIP 50SPES

LONDON, JAN. 30-(AP)-PRIME MINISTER NEVILLE CHAMBERLAIN, FORTIFIED WITH A REINFORCED CABINET, WILL RETURN TO THE HOUSE OF COMMONS TOMORROW FOR A FULL DRESS FOREIGN AFFAIRS DEBATE IN THE WAKE OF CHANCELLOR HITLER'S REICHSTAG SPEECH.

CHAMBERLAIN SWEEPED ASIDE DOMESTIC LEGISLATION AT THE URGENT REQUEST OF THE LABOR OPPOSITION FOR A FULL DISCUSSION OF FOREIGN DEVELOPMENTS SINCE THE HOUSE ADJOURNED DEC. 22 FOR ITS CHRISTMAS RECESS.

IN THE INTERVENING WEEKS THESE FOUR EVENTS HAVE OCCUPIED THE INTERNATIONAL SCENE:

1. THE VISIT JAN. 11-14 OF CHAMBERLAIN AND FOREIGN SECRETARY VISCOUNT HALIFAX TO PREMIER MUSSOLINI IN ROME.
2. CAPTURE OF BARCELONA, SPANISH GOVERNMENT CAPITAL, BY THE INSURGENTS.
2. THE CALLING UP OF 60,000 RESERVISTS BY MUSSOLINI.

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4. HITLER'S REICHSTAG SPEECH TONIGHT, HIS MOST IMPORTANT ADDRESS SINCE THE MUNICH SETTLEMENT OF LAST SEPT. 29.

THREE IMPORTANT DOMESTIC DEVELOPMENTS HAVE OCCURRED DURING THE RECESS. CHAMBERLAIN, IT WAS LEARNED ON HIGH AUTHORITY, HAS REJECTED THE IDEA OF HOLDING AN EARLY GENERAL ELECTION; THE SOCIALISTS SPLIT OVER FORMING AN ANTI-GOVERNMENT COALITION; AND CHAMBERLAIN SHOOK UP HIS CABINET.

THE GENERAL ELECTION IDEA WAS REJECTED, IT WAS SAID, IN VIEW OF THE WORSENING OF THE INTERNATIONAL SITUATION AND THE START OF THE GOVERNMENT'S NATIONAL DEFENSE PROGRAM. THE CABINET CHANGES LAST SATURDAY BROUGHT ADMIRAL OF THE FLEET LORD CHATFIELD INTO THE CABINET AS MINISTER FOR COORDINATION OF DEFENSE AND SIR REGINALD HUGH DORMAN-SMITH AS MINISTER OF AGRICULTURE.

IN TOMORROW'S COMMONS DEBATE CHAMBERLAIN WILL EXPLAIN TO THE SOCIALIST OPPOSITION WHY BRITAIN REFUSES TO SELL ARMS TO THE HARD-PRESSED SPANISH GOVERNMENT.

HE ALSO IS EXPECTED TO DESCRIBE HIS CONVERSATIONS WITH MUSSOLINI. FOREIGN AFFAIRS AND HOME DEFENSE WILL OCCUPY MOST OF THE ATTENTION IN THE NEXT FEW WEEKS.

INFORMED QUARTERS SAID CHAMBERLAIN TOLD MUSSOLINI IN ROME THAT HE WOULD LIKE TO TELL THE HOUSE OF COMMONS THAT ITALY WAS WILLING TO MAINTAIN THE STATUS QUO IN THE MEDITERRANEAN AND TO CLEAR OUT OF SPAIN WHEN THE CIVIL WAR IS FINISHED.

BRITISH OFFICIALS SAID IL DUCE AGREED THAT SUCH A STATEMENT COULD BE MADE AND IT IS EXPECTED TO COME TOMORROW.

SOCIALISTS AND LIBERALS, HOWEVER, HAVE EXPRESSED THEIR UNWILLINGNESS TO ACCEPT MUSSOLINI'S PROMISE AT FACE VALUE, AND THEY BOTH FAVOR A

CHANGE IN THE BRITISH POLICY OF NON-INTERVENTION IN SPAIN SO THAT THE SPANISH GOVERNMENT CAN BUY BRITISH WAR MATERIALS.

CHAMBERLAIN'S SUPPORTERS HAVE INDICATED HE WILL REJECT THE OPPOSITION SUGGESTIONS ON THE SCORE THAT THEY WOULD LEAD TO AN ARMS RACE IN SPAIN AND EVENTUALLY TO A GENERAL WAR.

EVER SINCE HIS RETURN FROM ROME CHAMBERLAIN HAS BEEN OCCUPIED WITH HIS MINISTERS IN TRYING TO IMPROVE THE NATION'S AIR DEFENSE AND IN LAUNCHING A CAMPAIGN OF NATIONAL SERVICE. IF THE RESPONSE TO THE NATIONAL SERVICE CAMPAIGN IS NOT GREAT CHAMBERLAIN IS EXPECTED AT THIS SESSION TO INTRODUCE ~~LEGISLATION~~ ^{JAN 31 1939} FOR COMPULSORY PEACETIME SERVICE.

~~DO 139DFG~~
LONDON, JAN. 30-(AP)-THE ABSENCE OF SABRE-RATTLING THREATS IN ADOLF HITLER'S PRONOUNCEMENT OF COLONIAL CLAIMS BEFORE THE REICHSTAG TONIGHT GAVE EUROPE NEW HOPE FOR PEACE.

BRITISH AND FRENCH STATESMEN WERE RELIEVED THAT THE GERMAN FUEHRER HINTED THE RETURN OF THE REICH'S WAR-LOST COLONIAL ~~FORCE~~ ^{JAN 31 1939} WOULD BE HIS CHIEF AIM FOR 1939.

THEY NOTED ALSO AS SIGNIFICANT THAT HITLER IN ASSERTING HE WOULD FIGHT FOR HIS AXIS PARTNER, FASCIST ITALY, WITHHELD OUTRIGHT SUPPORT FOR ITALIAN TERRITORIAL CLAIMS AGAINST FRANCE.

BOTH LONDON AND PARIS INTERPRETED HITLER'S EMPHASIS ON ECONOMIC DIFFICULTIES AS AN INDICATION GERMANY NEEDED PEACE TO CONSOLIDATE THE TERRITORIAL GAINS SHE MADE IN 1938 THROUGH THE ANNEXATION OF AUSTRIA AND CZECHO-SLOVAKIA'S SUDETENLAND.

BRITISH GOVERNMENT LEADERS WERE PLEASED WITH WHAT THEY CONSIDERED GENERALLY TO BE THE CONCILIATORY TONE OF THE GERMAN CHANCELLOR'S SPEECH, ALTHOUGH OFFICIAL COMMENT WAS LACKING.

PRIME MINISTER CHAMBERLAIN SAT UP LATE TO STUDY AN OFFICIAL VERSION OF THE ADDRESS, WHICH WAS EXPECTED TO HAVE A MARKED INFLUENCE ON HIS OWN STATEMENT BEFORE THE HOUSE OF COMMONS TOMORROW ON INTERNATIONAL AFFAIRS.

SOME QUARTERS BELIEVED CHAMBERLAIN'S STATEMENT IN A SPEECH AT BIRMINGHAM SATURDAY NIGHT ON BRITAIN'S ARMED STRENGTH IMPRESSED HITLER.

THE DAILY EXPRESS, BANNER-LINING HITLER'S ASSERTION THAT "I BELIEVE IT WILL BE PEACE FOR A LONG TIME," STATED "PLAINLY IT IS OUR DUTY" TO EXAMINE THE GERMAN COLONIAL CLAIM "FORTHWITH."

FRENCH FOREIGN MINISTER BONNET AND HIS AIDES IN PARIS DECLARED THE FUEHRER'S SPEECH "MUCH MORE THAN WE EXPECTED." THEY WERE PLEASED PARTICULARLY THAT HIS COLONIAL ~~CLAIMS~~ ^{JAN 31 1939} WERE NOT BACKED BY A THREAT OF FORCE.

ROME GREETED WITH THE UTMOST JUBILATION HIS PROMISE TO FIGHT FOR ITALY IF AN IDEOLOGICAL WAR WERE LAUNCHED AGAINST HER.

FRENCH SPOKESMEN IN PARIS, HOWEVER, REMARKED THIS PROMISE COULD HARDLY HOLD GOOD IF MUSSOLINI ORDERED AN ATTACK ON FRANCE TO REALIZE HIS "NATURAL ASPIRATIONS" IN FRENCH-RULED TUNISIA, DJIBOUTI AND CORSICA AND THE SUEZ CANAL.

ITALIAN FASCISTS NEVERTHELESS EXULTANTLY ASSERTED THAT HITLER MADE THE ROME-BERLIN AXIS VIRTUALLY A MILITARY ALLIANCE.

WITH SUCH BACKING, THEY EXPECTED PREMIER MUSSOLINI TO REVEAL HIS FULL TERRITORIAL DEMANDS ON FRANCE AT THE FASCIST GRAND COUNCIL MEETING SATURDAY.

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POLAND AND THE BALKAN STATES WERE PLEASED THAT WESTERN, AND NOT EASTERN EUROPE FIGURED HIGHEST ON THE TOTALITARIAN PROGRAM, THOUGH GERMANY'S SOUTHEASTERN ECONOMIC PENETRATION WAS EXPECTED TO CONTINUE.

SOME MISGIVINGS WERE PROVOKED IN LONDON AND PARIS BY HITLER'S REFERENCE TO GENERAL FRANCO'S "VALIANT DEFEAT" OF BOLSHEVISM WHICH FAILED TO THROW ANY LIGHT ON GERMAN PLANS IN SPAIN WHEN THE CIVIL WAR THERE ENDS.

BRITAIN WAS NOT UNANIMOUS ON THE SPEECH AS A WHOLE. THE YORKSHIRE POST, WHICH IS CLOSE TO FORMER FOREIGN SECRETARY ANTHONY EDEN, CALLED IT "NEITHER MODERATE NOR CONCILIATORY."

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AS HITLER SPOKE, FORMER PRIME MINISTER EARL BALDWIN, WITH CHAMBERLAIN'S APPROVAL, DECLARED IN A SPEECH THAT BRITAIN WILL FIGHT WITH UNANIMITY NEVER SEEN BEFORE" IF WAR SHOULD COME.

THE ADMIRALTY ALSO ANNOUNCED THAT THE ARMAMENT OF THE BATTLE CRUISER REPULSE WOULD NOT BE REDUCED TO ACCOMMODATE KING GEORGE AND QUEEN ELIZABETH WHEN IT TAKES THEM TO CANADA FOR THEIR VISIT NEXT SPRING.

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BRITISH NEWSPAPERS, ON THE WHOLE, FOUND A NOTE OF REASSURANCE IN HITLER'S SPEECH.

THE TIMES SAID THE FUEHRER BELIED THE MORE NERVOUS PROPHETS, AND CONTINUED: "BY COMMON CONSENT, PEACE MUST BE THE WORK OF DEEDS, NOT WORDS. BUT THE WORDS HEARD LAST NIGHT CONTAIN NO SUCH INVOCATION TO WAR AS SOME OF THEM HAD PREDICTED."

THE DAILY HERALD, LABOR, SAID, "THE WORLD WHICH HAS LEARNED CAUTION FROM UNHAPPY EXPERIENCE CANNOT FORGET THAT THERE HAVE BEEN PEACEFUL SPEECHES FROM THE FUEHRER BEFORE, AND THE SUBSEQUENT ACTIONS HARDLY SQUARED WITH THE PROFESSIONS. XXX WE HAVE HEARD WHAT HE SAYS. THE QUESTION REMAINS--WHAT DOES HE MEAN?"

THE DAILY TELEGRAPH, CONSERVATIVE, COMMENTED, "THE MATTER AS DISTINGUISHED FROM THE MANNER WAS COMPARATIVELY MILD AND NOT LACKING IN A NOTE OF REASSURANCE."

THE EDINBURGH SCOTSMAN, CONSERVATIVE, SAID THAT "HE UTTERED NO THREATS, HE PUT FORTH NO NEW TERRITORIAL CLAIMS, AND HIS REFERENCE TO THE FORMER GERMAN COLONIES, THOUGH STRONGLY EXPRESSED, CARRIED NO IMMEDIATE MENACE."

Hitler and Duce Pledge Amity

Exchange Telegrams Reaffirming Their Friendship—Gayda Predicts Action.

ROME, Jan. 31 (A. P.).—Premier Benito Mussolini and Chancellor Adolf Hitler exchanged telegrams reaffirming Italian-German friendship today, while an authoritative Fascist editor declared colonial demands of the two nations "will dominate a large part of European history in

the near future."

A statement from official quarters, meanwhile, said that the "unshakability of bonds between Italy and Germany" was confirmed by Hitler's Reichstag speech yesterday, when the Reichsfuehrer promised support if Italy were attacked. Italy was believed here to have gained support for its colonial bargaining with France from the address.

For the sixth anniversary yesterday of the Nazi assumption of power, Premier Mussolini sent Herr Hitler a congratulatory telegram which he said was inspired by the "loyal and profound friendship

which unites our two peoples through the (Berlin-Rome) axis in the present and the future."

Hitler replied that he considered Il Duce's message a "new sign of the sentiments of attachment and the friendship entertained by our peoples."

Virginio Gayda, an editor whose views often reflect those of Italian officials, emphasized in his newspaper Il Giornale D'Italia the "similar substance" of Italian and German colonial claims.

"They move together," he wrote. "Nations are no longer one with another. They will dominate a large part of European history in the near future."

Italians considered their position already strengthened by the Spanish insurgent capture of Barcelona, with Italian troops last Thursday. Herr Hitler's speech, observers

believed, repaid Premier Mussolini for the latter's bellicose oratory in behalf of Germany during the Czecho-Slovak crisis last September.

Some diplomats here believed that Herr Hitler's promise would hasten the formal presentation of Italian claims against France. This question was expected to be considered by the Fascist Grand Council meeting February 4. Foreign diplomats noted, nevertheless, that Hitler did not specifically endorse Italy's "natural aspirations."

The Italian press stressed Italy's claims on Corsica by making public an admission said to have been made by Lafayette in 1831 that Corsicans were "Italians by language, custom and literature" and that the island ought to be ceded to Italy.

More Hope on Peace.

BERLIN, Jan. 31 (A. P.).—Diplomats saw hope today for peace in Europe with the assurance of Adolf Hitler that there would be no cause for war in his pursuit of the great Nazi objective, return of war-lost colonies.

They were not sure, however, of the full meaning of the Chancellor's firm promise of aid to Italy if she were warred against in an ideological war, and his declaration: "National Socialist Germany and Fascist Italy are strong enough to safeguard peace against every one, and to end resolutely and successfully any conflict which irresponsible elements lightly start."

The German Foreign Office showed satisfaction at the reception given Herr Hitler's declarations, which one Government spokesman said opened the way "for further international discussion along peace lines."

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Last Minute Change.

Charting the course of Nazidom for 1939 in a two hour and seventeen-minute speech before the Reichstag last night, the Chancellor declared his own belief in a "long peace." It was disclosed this was inserted in one of the last-minute changes Hitler made before delivering the speech.

He set increasing world trade, to include Latin American countries, as a pressing need to bolster German economy while the campaign for colonies is carried on, and advised the United States not to interfere.

Devoting much of the address starting his seventh year in power to the economic need for Germany's 80,000,000 people, the Chancellor hinted that the German colonial issue would be handled by negotiation.

Statement on Colonies.

"Germany has no territorial demands against England and France apart from that for the return of our colonies," he said. "While the solution of this question would contribute greatly to the pacification of the world, it is in no sense

a problem which could cause a war."

He did not mention the Italian agitation for colonial concessions from France, but he insisted that Italian-German friendship "can only serve the cause of peace if it is quite clearly understood that a war of rival ideologies waged against the Italy of today will, once it is launched, and regardless of its motives, call Germany to the side of her friend."

Hitler blamed Jews, Bolsheviks, and unfriendly political and financial interests in other countries, including the United States, for war propaganda. He criticized among others Secretary of the Interior Ladd of the United States.

He pledged Germany to pursue with increasing energy a place in world trade to meet the "utmost need a nation can meet, namely, the need for its daily bread."

Thinks Americans Understand.

Emphasizing that business relations with South and Central America "concern nobody but them and ourselves," he charged that relations with the United States are "suffering from a campaign of defamation" by unfriendly interests on the "pretense that Germany threatens American independence and freedom."

"We all believe, however," the Chancellor added, "that this does not reflect the will of the millions of American citizens who, despite all that is said to the contrary by a gigantic Jewish-capitalistic propaganda through the press, the radio and the films, cannot fail to realize that there is not one word

of truth in all these assertions."

The Jewish question, Hitler continued, should be solved and "the sooner the better, for Europe 'cannot be built down until the Jewish question is cleared up.'"

Should "international Jewish financiers," he prophesied, "succeed in plunging the nations once more into a world war, then the result will not be the bolshevization of the earth, and thus the victory of Jewry, but the annihilation of the Jewish race in Europe."

Those Hopeful of Peace.

Notable to those who saw stronger hopes for peace in the Chancellor's words was that the only direct demands advanced were for colonies, which Hitler said were after the war despite the promises of President Wilson upon which Germany sued for peace.

"The German people," he declared, "has exactly the same right as any other people to share in the opening up and development of the world."

And "a nation of 80 millions will not be winning permanently to be as-

sessed differently from other nations . . ."

Nothing was said about the Ukraine, Memel or Danzig—in all of which Nazis in the past have expressed interest.

If Germany had any concrete plans for Spain, he said nothing about them, avowing it was "anxiety for European culture" which compelled Germany to take sides in Spain against the Bolshevik destroyers . . ."

Special Mention for Japan.

Special mention went to Japan as champion of the anti-comintern pact; a nation which "in the last two years has set us so many examples of glorious heroism, is undoubtedly fighting in the service of civilization at the other side of the world."

Hitler did not mention President Roosevelt, frequently criticized in the German press, but he did back the American Secretary of the Interior and the former British Foreign Secretary, Anthony Eden, and Alfred Duff Cooper, who quit as First Lord of the Admiralty in protest against the Munich Czecho-Slovak pact.

"Against such agitators," Hitler said, the German press will reply "to bring home to the German people in good time the truth about these men."

The address accorded unusual praise to Field Marshal Goering, engineer of the four-year plan to strengthen Germany economically, and Foreign Minister Joachim von

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Ribbentrop. By implication he contrasted them with cautious men like Hjalmar Schacht, ousted Economics Minister, and the former Foreign Minister, Baron von Neurath, who feared the consequences of a too aggressive foreign policy.

Goering Is Acclaimed.

Marshal Goering again thus was publicly acclaimed Nazidom's No. 1 man. Conjecture was heard in obbies that he might soon be handed the War Ministry and possibly the Vice-Chancellorship. It was evident also that Herr von Ribbentrop had the favor of the Fuehrer for his conduct of Foreign affairs the past year.

The Inter-Governmental Refugee Committee got little comfort from the speech. Herr Hitler declared that Germany was hardened against all sentimentality and proposed to let Jews take care of them.

"We merely are paying this people what it deserves," the Fuehrer insisted.

LONDON, Jan. 31 (A.P.).

—Europe, cheered by Adolf Hitler's Reichstag speech, turned eagerly today to imminent declarations by two other leaders of her destinies—Prime Minister Neville Chamberlain of Great Britain and Premier Benito Mussolini of Italy.

The British Prime Minister faced an opposition attack in the re-assembled House of Commons today with his policy of "appeasement" apparently strengthened by Herr Hitler's implied willingness to settle his colonial demands by negotiations. Mr. Chamberlain was expected to disclose for the first time the fruits—if any—of his recent conversations in Rome with Il Duce.

At the same time Herr Hitler was voicing his demand for colonies. Earl Baldwin, former British Prime Minister, warned that it would be a "dangerous illusion" to imagine Britain was afraid to fight. He declared in an address to a Worcester Women's National Service recruitment meeting that if war should come "we will fight with a unanimity never seen before."

With Italian agitation against France for colonial concessions Europe's major problem, Signor Mussolini will speak tomorrow. Herr Hitler's declaration that "I believe, however, in a long peace," more or less tossed the question into the lap of the Italian Premier.

Mr. Chamberlain was expected to state Great Britain's position in the French-Italian dispute.

Spain up for Discussion.

This also was his first opportunity to tell Commons the Government's views on the recent insurgent gain in Spain. The opposition planned its attack on the Government had the Democracies and menaced Anglo-French security by hampering the Spanish Loyalist Government with the nonintervention scheme.

Mr. Chamberlain listened to the broadcast of Herr Hitler's speech last night and then studied a translation prepared by the Foreign Office before drafting his statement for today's debate. He was expected to follow his Birmingham speech and make further conciliatory gestures in view of Herr Hitler's moderation.

British and French statesmen were relieved that the German Chancellor hinted the return of Germany's war-lost colonies without force would be his chief aim for 1939. Both London and Paris interpreted his emphasis on economic difficulties as an indication Germany needed peace to consolidate the territorial gains made in 1938 through the annexation of Austria and Czechoslovakia's Sudetenland.

Italians Joyful.

In Italy the speech brought joy because of Herr Hitler's promise to fight for Italy if an ideological war were launched against her.

Millions throughout Europe, from diplomats to peasants, listened to re-broadcasts of the speech. Poor reception prevented it from being heard widely in Soviet Russia.

The reaction in the principal capitals was:

London—There was evident relief in Government circles that Herr Hitler made no war threats. His demand for colonies had been expected and Britain was reassured by his statement he would not go to war for them. Britain was expected to open negotiations for restoration of some colonies when, and if Hitler would give a "definite" guarantee of peace. Some concern was felt over his threat of a possible trade war and his promise to back Italy in case the latter is attacked.

Paris Views Speech as Mild.

Paris—A Government spokesman called the speech mild, while Foreign Minister Georges Bonnet said it was "much more moderate than expected." A Foreign Office spokesman expressed the belief that Herr Hitler's reference to supporting Italy hardly meant that Germany would support her ally if Premier Mussolini ordered an attack on France.

Rome—Jubilant Fascists said the speech showed the Rome-Berlin axis to be more solid than ever and that the two-sided diplomatic instrument

promised "justice" for Italy as well as Germany.

Herr Hitler's promise to stand by Italy in war waged against her was interpreted in Italian newspapers as tantamount to a military alliance. The newspaper *Il Popolo di Roma* commented:

"The French were awaiting a reply to the question more or less

openly asked lately in their press polemics—what will Hitler do if . . . ? The answer so anxiously awaited and so variously prognosticated has been given. And it could not have been clearer."

Holland Is Relieved.

The Hague—There was widespread relief throughout the Netherlands at Hitler's assurance of peaceful intentions toward this country.

Budapest—The speech was welcomed throughout the Balkans and southeastern Europe. Hungary, now a member of the anti-Comintern pact with Germany, Italy and Japan, was relieved that no territorial or other demands were made upon her and was pleased by Hitler's references to Hungary.

Bucharest—Rumania, fearful that the German Chancellor is eyeing her rich oil fields, was happy that he made no threat in her direction. "He will leave us alone for a while and work elsewhere" was the general reaction.

MUSSOLINI TO SPEAK TO MILITIA TODAY

20,000 Members Of Fascist Organization Are Encamped In Rome

Officers And Members Of Class Of 1912 Reported Called To Colors

By the Associated Press

Rome, Jan. 31—Twenty thousand Black Shirt troops encamped in Rome tonight in expectation of a fighting speech from Premier Benito Mussolini. Fascists felt Adolf Hitler had strengthened Italy's hand in her colonial demands on France.

Il Duce is to speak tomorrow in a celebration of the founding of the Fascist militia sixteen years ago. Today he and Hitler exchanged telegrams reaffirming Italian-German friendship and a statement from official quarters declared Hitler's Reichstag speech

pledging support if Italy were attacked showed the "unshakability of bonds between Italy and Germany."

Says Demands Will Be Pushed

Colonial demands of the two nations "will dominate a large part of European history in the near future," Virginio Gayda, Fascist spokesman, wrote in *Il Giornale d'Italia*.

"Solidarity between Italy and Germany . . . can develop whenever it might be assailed by any reckless foreign aberration into an armed alliance," Gayda wrote, "ready to let loose an ever ready army of 125,000,000 men, powerfully armed and spiritually fired."

[Associated Press Editor's Note—It was apparent Gayda meant the combined populations of Germany and Italy, not merely the adult male populations of the two countries.]

" . . . Hitler knows Italy does not seek undue adventures nor thinks of disordered, aggressive violence against the vital interests of others, but asks only just payment of accounts and respect for its proved rights."

May Wait For Franco Triumph

When Italian and German colonial demands would reach the crisis stage, however, was unpredictable. Some observers thought they might be pressed after a final insurgent victory in Spain.

"Italian and German questions are bound together and are laid on the table with perfect synchronization,"

said *Il Lavoro Fascista*, organ of the Fascist syndicates.

In private quarters there were rumors that specialists of the reserve army class born in 1912, as well as reserve officers born in 1896, had received letters instructing them to await orders. The Government on January 25 called 60,000 reservists of the 1901 class to report February 1 and indicated more would be called.

Storm-Troop Leader In Rome

Victor Lutze, chief of German Nazi Storm Troops, was in Rome for the Fascist militia celebration. Since its founding the militia has provided thousands of fighters for the conquest of Ethiopia and to aid Generalissimo Francisco Franco, insurgent leader.

Two thousand veterans of the Spanish war will be among the 20,000 that goose-step past Mussolini tomorrow after a ceremony at the Unknown Soldier's Monument, where il Duce will award decorations for valor and address his followers.

Il Duce, Hitler Exchange Greetings

Mussolini's speech is expected to glorify 3,045 Blackshirts who were killed and 6,390 wounded in the Ethiopian and Spanish wars. It is anxiously awaited, however, for indication of his intentions this time.

In their exchange of telegrams, Mussolini sent Hitler a congratulatory message which he said was inspired by the "loyal and profound friendship

which united our two people through the (Berlin-Rome) axis in the present and future."

Hitler replied that he considered il Duce's message a "new sign of the sentiments of attachment and the friendship existing between our peoples."

ROME--IN NIGHT LEAD ITALIAN, SECOND GRAPH STARTING "IL DUCE"

READ "IL DUCE IS EXPECTED (INSERTING EXPECTED) TO SPEAK TOMORROW

IN A CELEBRATION OF THE FOUNDING OF THE FASCIST MILITIA 16 YEARS AGO

BUT IT WAS THOUGHT BY SOME HE WOULD WAIT UNTIL THE FASCIST GRAND

COUNCIL MEETS ON SATURDAY 1939 HE AND . . . ETC."

THE A.P.

FOREIGN OBSERVERS AND ITALIANS ALIKE TODAY BELIEVED THE REICHSTAG SPEECH, IN WHICH HITLER PROMISED SUPPORT TO ITALY IF SHE WERE WARRED AGAINST, WOULD BE AN IMPORTANT FACTOR IN THE DELIBERATIONS IF AND WHEN THERE IS A SHOWDOWN ON THE ITALIAN AGITATION FOR AN ADJUSTMENT OF THE BALANCE OF POWER IN THE MEDITERRANEAN.

"THE DECLARATIONS CONCERNING ITALY CONFIRMED THE UNSHAKABILITY OF BONDS BETWEEN ITALY AND GERMANY," SAID A STATEMENT EMANATING FROM OFFICIAL QUARTERS. IT ADDED THAT HITLER'S SPEECH "CAUSED THE BEST IMPRESSION IN GOVERNMENT CIRCLES AS WELL AS AMONG THE ITALIAN PEOPLE."

FASCISTS SAID THE GERMAN CHANCELLOR'S WORDS SHOWED THE ROME-BERLIN AXIS WAS MORE SOLID THAN EVER AND THAT IT PROMISED "JUSTICE" FOR ITALY AS WELL AS GERMANY. ITALIAN NEWSPAPERS INTERPRETED HIS DECLARATION OF SUPPORT FOR ITALY AS TANTAMOUNT TO A MILITARY ALLIANCE.

THE NEWSPAPER IL MESSAGGERO SAID OF THE WAR PLEDGE:

"IT MAY BE REFLECTED THAT NO CONFLICT COULD FAIL TO ASSUME IDEOLOGICAL CHARACTERISTICS AND ASPECTS SINCE IT IS WELL KNOWN AND A MATTER OF DAILY EXPERIENCE THAT ALL THE DIFFICULTIES AND ALL THE INCOMPREHENSIONS WHICH ITALY AND GERMANY MEET ON THEIR UP FIND THEIR ORIGIN IN IDEOLOGICAL PREJUDICES."

(HITLER PLEDGED AID TO ITALY IF SHE WERE WARRED UPON BY RIVAL

NAZI PAPERS OPEN COLONIES DRIVE

Berlin Organ Declares Ger-
many's Demands Do Not
Admit A "Deal"

Hitler Studies Chamber-
lain's Call For Deeds,
Not Words

FEB 1 1939
Associated Press Correspondent
Berlin, Jan. 31—The Nazi press to-
night inaugurated a campaign for
German colonies as Chancellor Adolf
Hitler studied Prime Minister Neville
Chamberlain's demand for deeds, not
words, in favor of peace.

Taking its cue from the Führer's
Reichstag speech of Monday in which
he demanded colonies, the newspaper
Boersen-Zeitung said "our demands
are so just and so long overdue that
they do not admit a 'deal.'"

News of the British Prime Minister's
speech was displayed prominently in
all Wednesday morning newspapers,
but comment in the early night edi-
tions was brief and in general terms.
One official spokesman said the text
still was engaging the close attention
of the Foreign Office.

Experts Study Exports Question
The Deutsche Allgemeine Zeitung
contended itself with saying Mr. Cham-
berlain's speech had made a favorable
impression, especially that part rebuk-
ing war-scare mongers.

Chancellor Hitler's financial lieu-
tenants, accustomed to taking cues
quickly from their leader, have begun
to study export possibilities while the
Führer sat back, well pleased with
the world echo to his Reichstag speech.
Prior to appearance of the Wednes-

day morning papers the emphasis on
exports seemed to trained observers
to be an indication that Hitler's plans
for regaining the war-lost German
colonies have not been perfected suf-
ficiently to place the colonial issue
in the foreground.

Thinks Position Is Stronger

Hitler, according to men close to
him, was content to let Mr. Cham-
berlain and Premier Benito Mussolini
of Italy have the international rostrum
today and tomorrow. He was said to
be confident that Germany's position
among nations had been strengthened
by his Reichstag pronouncements.

He relaxed at noon to receive for-
eign military officers who are in
Berlin attending the annual equestrian
tournament in connection with the
German agricultural fair.

There were other indications that
the Nazis were seeking the good will
of the world.

Dr. Helmuth Wohlthat, special ne-
gotiator on refugee problems, contin-
ued talks with members of the Inter-
governmental Refugee Committee on
a plan for linking German ports
with the emigration of large numbers
of Germany's estimated 700,000 Jews.

In his address Hitler said the Jewish
question should be solved and "the
sooner the better," for Europe cannot
settle down until the Jewish question
is cleared up.

Wiedemann Addresses U. S. Group

One of Hitler's most trusted lieu-
tenants, Capt. Fritz Wiedemann, newly-
appointed consul general in San Fran-
cisco, told the American Chamber of
Commerce he was going to his new
post with a threefold task:

"To serve my Führer and my people
faithfully and decently, to observe the
customs and laws of my guest country
in fairness and loyalty, and to estab-
lish friendly connection between my
homeland and my guest land."

Questioned about differences in vari-
ous texts of Hitler's Reichstag ad-
dress, official sources explained that
Germany was ready to fight for Italy,
come what may.

Ideological Stricken From Text

Diplomats had been doubtful re-
garding the meaning of the Chancel-
lor's promise of aid to Italy if she
were attacked in an "ideological" war,
but the word "ideological" was stricken
from the final version of the official
German text lest it be misunder-
stood.

According to another translation, he
failed to mention Italian agitation for
colonial concessions from France, but
declared that Italian-German friend-
ship "can only serve the cause of peace
if it is quite clearly understood that a
war of rival ideologies waged against
the Italy of today will, once it is
launched, and regardless of its motives,
call Germany to the side of her friend."

Plans To Trade With Germany

Diplomats saw evidence of Ger-
many's effort to gain good will of other
nations and increase her exports in
the following developments:

1. The expected arrival of the Mex-
ican Minister, Gen. Juan F. Azca-
rate, who is generally believed to
be bringing proposals for an ex-
change of Mexican oil for German
industrial products.
2. The departure of a German rep-
resentative for Moscow. Informed
circles believed he had more than
a routine task in connection with
possible trade or political negotia-
tions.
3. The visit of a Brazilian air force
commission to Germany as guests
of Field Marshal General Hermann
Wilhelm Goering, Air Minister.
The visit was considered part of a
systematic effort to encourage bet-
ter South American relations.
4. An announcement that representa-
tives of German and British in-
dustry would meet in Düsseldorf
February 28 to consider mutual
economic and trade problems.

Big Roles Forecast For Two

Quarried observers believed Hitler's
colonial tactics might approximate
those he used for annexing Austria
and Czecho-Slovakia's Sudetenland—
by systematic propaganda so as to
undermine resistance to his proposals
in order that at the right moment the
threat of force would be sufficient to
obtain the desired object without re-
course to war.

Russian-German Link Hinted Anew

Moscow, Jan. 31 (AP)—The Soviet
Russian press today ignored Chancellor
Adolf Hitler's Reichstag address, but
one Moscow newspaper, significantly
republished a London warning that
Russia and Germany, despite ideolog-
ical differences, might reach an under-
standing.

+57.30
Pravda, Communist party organ,
quoted without comment the sugges-
tion in the London News Chronicle
that it would be "extremely unwise to
suppose that the existing disaccord
between Moscow and Berlin will neces-
sarily remain an unchangeable factor
of international policy."

The fact that Pravda failed to reject
indignantly the suggestion of a possi-
ble Soviet-German rapprochement in-
creased its significance in foreign
observer's eyes.

[London and Paris recently showed
some concern over a projected re-
sumption of Soviet-German trade
negotiations and the possibility they
might extend into the political field.]

[British critics of Prime Minister
Neville Chamberlain's foreign policy
frequently have contended the snub-
bing of Russia in European affairs
would drive the Soviets into Ger-
many's arms, thus increasing the
danger to the western democracies.]

Le Journal de Moscou, a French-
language weekly, deplored what it
called the passivity of France in con-
nection with Spain, where the news-
paper said foreign troops "are advanc-
ing with weapons in hand toward the
French border."

**IN THE FUEHRER'S PLANS FOR THE FUTURE, TWO MEN SEEM DESTINED TO
PLAY OUTSTANDING ROLES--FIELD MARSHAL GOERING AND FOREIGN MINISTER
JOACHIM VON RIBBENTROP. THEY WERE SINGLED OUT IN THE REICHSTAG
SPEECH FOR SPECIAL MENTION AND PRAISE.**

**HITLER OFTEN HAS MADE SURPRISING GOVERNMENTAL SHIFTS AFTER THE
FESTIVITIES CONNECTED WITH THE ANNIVERSARY OF THE NAZI ASSUMPTION OF
POWER ON JAN. 30.**

FEB 1 1939
**A FREQUENTLY-ASKED QUESTION, THEREFORE, WAS RESURRECTED IN POLIT-
ICAL CIRCLES--WILL GOERING SOON BECOME WAR MINISTER AND VICE CHANC-
ELLOR, AND WILL VON RIBBENTROP'S FOREIGN MINISTRY BE GIVEN SOME OF
THE CULTURAL FUNCTIONS NOW ALLOTTED TO DR. PAUL JOSEPH GOEBBELS' PRO-**

THE FRANKFURTER ZEITUNG, MEANWHILE, WARNED THAT NOBODY SHOULD ASSUME COLONIES NEED NOT BE RETURNED TO GERMANY BECAUSE THE FUHRER SAID THE PROBLEM WAS NOT ONE TO CAUSE WAR. FEB 1 1933

"THE OTHER METHOD NOW HAS ITS CHANCE," THE PAPER SAID, MEANING THE METHOD OF NEGOTIATION. "THE DEMAND FOR COLONIES REMAINS."

PARIS SEEKING BALKANS' HELP

Steps Up Drive to Regain Lost Influence There.

SPEEDS TRADE NEGOTIATIONS

French General in Speech Warns Nazis and Italy

PARIS, Jan. 31 (A. P.).—France stepped up her campaign to regain her lost influence in the Balkans today in an effort to re-enforce her stand against German and Italian expansion. Top ranking members of the Cabinet, meeting last night before Adolf Hitler's speech in Berlin, ordered quick completion of negotiations for trade treaties with Rumania and Yugoslavia.

"Hitler's speech has not aggravated the international situation" was the general reaction of both French officials and the press to the German Chancellor's words. Foreign Minister Georges Bonnet said the speech was "much more moderate than expected."

Herr Hitler's assurances of support for Italy in the event she is attacked caused some apprehension, however, lest Premier Benito Mussolini take this as a "go ahead" signal to press claims for French territory. Premier Mussolini's speech tomorrow was awaited for the next indication as to how Europe's course would turn.

General Issues Warning.

A significant statement of France's position in the face of German and Italian colonial demands came from Gen. Henri Giraud, Military Governor of Metz, in an address last night at Metz.

"Germany and Italy must know that it would be suicide for them to throw themselves into a war against France," he declared, add-

ing that the Maginot line could turn back any attack and that German aviation, although admittedly superior to French, could not win.

"I say this because it is my absolute conviction because I know the strength of the French army," he said.

He asserted the French Government already had taken the stand it would go to war rather than yield to Italian demands for Tunisia, Corsica and other French Mediterranean possessions.

Premier Edouard Daladier called his key Ministers, including M. Bonnet and Finance Minister Paul Reynaud, into conference to decide what could be done about improving France's standing in central Europe, impaired by her failure to oppose Germany's dismemberment of Czechoslovakia last fall.

An economic mission, which studied the situation, reported an "entirely new system of French economy" would be needed to recapture that field. French Ministers announced that offers already had been made to Yugo-

DRIVE BY NAZIS

Increased Competition in Commercial Field There Predicted.

HITLER'S STAND DISPUTED

Trade Experts in Washington Point Out Barter Factor in German Dealings.

WASHINGTON, Jan. 31 (A. P.).—Increased German competition with the United States for South American trade was expected by Federal officials today to result from Adolf Hitler's Reichstag speech.

Commercial experts disputed Herr Hitler's contention that Nazi trade relations with Latin-American nations were no concern of the United States. They pointed out that Germany's trade is on a barter and

trained by the Nazi Government was a means of exerting political influence and therefore could not help but be of concern to the United States in this hemisphere.

State Department officials made no public comment on Herr Hitler's address, which contained more references to the United States than he had made in previous speeches.

Relations Remained Strained.

The belief was spread in diplomatic and other official circles, however, that relations between Germany and the United States might continue to be strained for some time. There is at present no prospect that the German and American ambassadors, now at home, will be permitted to return soon to their posts.

Although Herr Hitler said that "Germany wishes to live in peace and on friendly terms with all countries, including America," students of international affairs noted these four references which he made directly or indirectly to the United States:

1. That the present relations between the two nations suffered from a campaign of defamation conducted in this country "to serve obvious political and financial interests."

Scores Attacks on Fascism.

2. That "in certain democracies it is apparently one of the special prerogatives of political democratic life to cultivate an artificial hatred of the so-called totalitarian States."

3. That Germany's economic relations with Latin America are her own business and not that of the United States.

4. That certain persons like Secretary of Interior Ickes are "apostles of war."

Herr Hitler's mention of Mr. Ickes recalled the State Depart-

ment's recent refusal to entertain a German protest against a speech by the Secretary of the dictatorial Government.

Press Attacks Predicted.

In a dramatic circle, the belief was expressed that a campaign of press recrimination against the United States might follow Herr Hitler's statement, "I deem it necessary that from now on in our propaganda and in our press all attacks be answered and above all be brought to attention of the German people."

In regard to Herr Hitler's discus-

sion of relations in Europe, divergent opinions were expressed by Washington officials.

Chairman Pittman, Democrat, of Nevada, of the Senate Foreign Relations Committee commented that there would be no fear of any immediate war in Europe if Herr Hitler's future actions "are as tolerant as his Reichstag speech." Senator King, Democrat, of Utah, on the other hand, called the address an indication that Hitler and Mussolini "have conspired to reorganize the map of Europe."

Senator Bridges, Republican, of New Hampshire, said: "He seems to be hiding his time. That fact, however, should not give us any feeling of security for the future."

"His attack on Ickes indicates clearly it is inadvisable for officials like Ickes to be making vicious attacks on foreign officials before this country has any developed foreign policy and is being or prepared to back up attacks."

Senator Pittman, describing Herr Hitler's talk as "the calmest speech I've ever heard him make," said he was "impressed by his intense effort to convince his own people at least that he was actuated more by a desire to obtain for them the necessities of life than by a desire for conquest."

"On the whole, I should guess that Fuehrer Hitler is not happy. In fact, he confessed to his own people a number of unfortunate conditions."

Speech in Argentina

BUENOS AIRES, Jan. 31 (A. P.).—Adolf Hitler's Reichstag speech was received with varying reaction in South America today, with Argentina newspapers displaying the address prominently but offering no comment.

Circles close to the Argentine Foreign Office were pleased with Der Fuehrer's assurances that Germany was not seeking geographical expansion in America, but evaded questions on his warning to the United States not to interfere with German relations in the Western Hemisphere.

In Rio de Janeiro, observers believed Hitler's warning to the United States was made with the trip to Washington of the Brazilian Foreign Minister, Oswaldo Aranha, in mind. Aranha is en route to the United States on a mission of improving economic relations.

PARIS - JAN 31

PREVIOUS TRADE AGREEMENTS HAD LIMITED RUMANIAN AND YUGOSLAV EXPORTS TO FRANCE TO A MAXIMUM OF 20 PER CENT MORE THAN IMPORTS FROM FRANCE.

FEB 1 1933

ALTHOUGH THE PRESENT NEGOTIATIONS DID NOT GO INTO MILITARY AND POLITICAL FACTORS, THEY WERE REGARDED AS AN OPENING WEDGE IN FRANCE'S EFFORTS TO REBUILD HER PRESTIGE WITH TWO OF THE POWERS WHICH ONCE FORMED A PART OF THE LITTLE ENTENTE IN HER IRON RING AROUND GERMANY.

PS-FH616AES

U.S. FORESEES SOUTH AMERICA

artificial currency basis, and declared this in general has the effect of diminishing the total of international trade.

They contended also that Germany's foreign trade, being con-

ment's recent refusal to entertain a German protest against a speech by the Secretary of the dictatorial Government.

PARIS - JAN 31 - OFFICIAL SOURCES WERE MORE FRANK ON GERMANY'S PROPOSED ECONOMIC EXPANSION IN LATIN AMERICA, SAYING THAT AN EXPANSION OF GERMAN EXPORTS TO ARGENTINA WOULD BE WELCOME IF IT MEANT A STRONG INCREASE OF ARGENTINE EXPORTS TO GERMANY.

CIRCLES WHO ARE IN OPPOSITION TO THE GOVERNMENT POINTED OUT, HOWEVER, THAT GERMANY ALREADY WAS MAKING GREAT STRIDES WITH HER BARTER COMMERCE IN SOUTH AMERICAN MARKETS AND WARNED IT WOULD NOT BE ADVISABLE FOR ARGENTINA TO INCREASE TRADE ON THAT BASIS WHEN HER MOST URGENT NEED IS CASH FOR EXPORTS.

BRAZIL IS OFTEN CONSIDERED THE UNITED STATES CLOSEST FRIEND AMONG THE LARGER COUNTRIES OF SOUTH AMERICA, WHILE THE UNITED STATES AND GERMANY ARE THE CLOSEST RIVALS FOR THE BRAZILIAN MARKET.

IN ASUNCION, PARAGUAYAN NEWS AGENCIES DISREGARDED THE ADDRESS, BUT JULIO BAJAC, DIRECTOR OF INTERNATIONAL TRADE FOR THE FOREIGN OFFICE, DISCLOSED THAT GERMANY ALREADY IS IN SECOND PLACE IN PARAGUAY'S FOREIGN TRADE. ARGENTINA IS FIRST.

"WE ARE SELLING AND BUYING MUCH WITH GERMANY, SELLING LITTLE AND BUYING MUCH WITH THE UNITED STATES," HE SAID.

HE ANNOUNCED YESTERDAY THAT PARAGUAY WAS PREPARING TO CANCEL HER 1919 TRADE AGREEMENT WITH JAPAN, BECAUSE JAPAN IS NOT TAKING ENOUGH PARAGUAYAN GOODS.

AT SANTIAGO, CHILE, LITTLE ATTENTION WAS PAID TO HITLER'S DECLARATIONS. NO OFFICIAL HAD TIME TO READ IT BECAUSE OF THE PRESS OF WORK IN CONNECTION WITH TUESDAY'S EARTHQUAKE.

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TOKYO, FEB 1-(WEDNESDAY)-(AP)-COMMENTING ON ADOLF HITLER'S REICHSTAG SPEECH, THE NEWSPAPER KOKUMIN TODAY URGED JAPAN TO TAKE THE INITIATIVE IN CONVERTING THE GERMAN-JAPANESE-ITALIAN ANTI-COMINTERN PACT INTO A MILITARY ALLIANCE.

"IN VIEW OF THE INTERNATIONAL SITUATION," THE PAPER SAID, "A MILITARY ALLIANCE AMONG ITALY, GERMANY AND JAPAN IS ESSENTIAL TO WORLD PEACE."

(SIX JAPANESE ENVOYS TO EUROPEAN CAPITALS MEETING IN PARIS SUNDAY WERE SAID TO HAVE RECOMMENDED THAT THE TIME WAS NOT NOW OPPORTUNE TO PRESS FOR AN ANTI-COMINTERN MILITARY PACT.)

THE PRESS GENERALLY WELCOMED HITLER'S FRIENDLY REFERENCES TO JAPAN, BUT SEEMED DISAPPOINTED IN THE GERMAN CHANCELLOR'S FAILURE TO THREATEN SOVIET RUSSIA BY MENTIONING THE UKRAINE.

THE FOREIGN OFFICE MADE NO COMMENT ON THE SPEECH.

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CHAMBERLAIN URGES NAZI CURB ON ARMS

Hitler Asked to Back Words of Peace With Concrete Move—Briton Says Duce Stands by London Pact.

LONDON, Jan. 31 (A. P.).—Prime Minister Neville Chamberlain told Adolf Hitler today that Britain wanted him to back up his peaceful words with "concrete evidence" of a "desire for peace" before "we can enter upon the final settlement."

After declaring that Chancellor Hitler's Reichstag speech of last night was not that of "a man who is preparing to throw Europe into another crisis," Mr. Chamberlain asserted in a House of Commons foreign policy debate:

"After this long period of uncertainty and anxiety in Europe confidence is not easily or quickly established.

"I say therefore that what we want to see is not only words which indicate a desire for peace, but before we can enter upon the final settlement we shall want to see concrete evidence in a willingness, let us say, to enter into arrangements if not for disarmament at any rate for a limitation of armaments."

The Prime Minister continued: "If that time comes and we can find a spirit corresponding to our own elsewhere, then I know that this country will not be unsympathetic and we shall be ready to make our contributions to the general appeasement of Europe."

Cites Armed Strength.

Earlier Mr. Chamberlain had declared that his appeasement policy was steadily succeeding, but emphasized likewise Britain's armed strength by asserting that "we are beginning now to see the results of our preparations on all sides."

Defending his foreign policy in a House of Commons debate, Mr. Chamberlain declared that British prestige was as high as it ever had been and "there never was a time when our friendship was more eagerly desired by other countries."

"It is untrue," he said, "that the policy of appeasement has failed. On the contrary, I claim that it is steadily succeeding."

The Prime Minister said that only large scale intervention in behalf of the Spanish Loyalist Government would make Spain's war a menace to European peace and added that it was not the time to change the non-intervention policy.

Tells of Pledges on Spain.

Mr. Chamberlain asserted he had assurances from Herr Hitler and also from Signor Mussolini that

Germany and Italy wanted nothing from Spain after the war was over.

The assurance from the German leader presumably was given during Chamberlain's conferences with Herr Hitler on the Czecho-Slovak crisis last September. That from Il Duce was given during the British Prime Minister's recent visit to Rome.

In what some of his hearers considered a reference to the possibility of negotiating with Hitler concerning the return of Germany's war colonies, Mr. Chamberlain said that a favorable atmosphere was necessary for "a full settlement."

The British and French governments are on record as willing to discuss colonies only in connection with a general European settlement.

Chamberlain answered Herr Hitler today with an assurance that Britain wanted friendship with Germany and declared that Premier Mussolini had promised him to "stand loyally" behind the British-Italian agreement.

The British-Italian agreement provided, among other things, for maintenance of the status quo in the Mediterranean, where the parts of the French colonial empire to which Italians recently have laid claim.

Tells of Trip to Rome.

Mr. Chamberlain told the House of Commons of his January 11-14 visit to Rome and declared that the Spanish civil war was the chief barrier between France and Italy. He said that he saw no prospect of an agreement between them until the war ended.

Mr. Chamberlain said that he emphasized to Signor Mussolini Britain's friendship with France and that the Italian Premier in turn expressed to him his loyalty to the Rome-Berlin axis.

But, Mr. Chamberlain said, Premier Mussolini told him that Italy's policy was one of peace.

Mr. Chamberlain launched immediately into praise of Hitler's speech to the Reichstag yesterday.

Government supporters cheered as he entered the chamber. There was a generally relieved atmosphere after the German Fuehrer's address.

"I welcome the passages in Herr Hitler's speech yesterday regarding his desire for mutual confidence and co-operation between our two peoples," the Prime Minister said. "I should like to take this opportunity to repeat these sentiments, which are fully shared by the Government and people of this country."

Mr. Chamberlain declared that "no negotiations are at the present time contemplated between the German and British governments."

Questioned by Laborite.

He was replying to a question by opposition Laborite Arthur Henderson.

"I am glad to observe that discussions on various commercial matters have recently taken place between the representatives of industries in this country and in Germany," the Prime Minister added.

He answered "no" to Laborite Frederick Bellenger's question "are any negotiations contemplated in the near future between the British and German governments?"

The Prime Minister then rose to speak of his Rome visit. He said that the welcomes extended to him and Lord Halifax were "striking in their sincerity."

"Though we are unable to report that we (Britain and Italy) were in agreement on all points, we did achieve our purpose, since when the conversations were over each side had a clearer insight into the other's standpoint."

Reports on Italian Policy.

"Signor Mussolini's attitude and foremost made it clear that the policy of Italy was one of peace and that he was using his influence in favor of peace at any time, the necessity arose."

"Italy," Mr. Chamberlain said, "desired peace from every point of view and not least for the general stability of Europe."

"Our hosts also made it clear that the Rome-Berlin axis was an essential point of Italian foreign policy."

"This did not imply that it was impossible for Italy to have the most friendly relations with Great Britain and with other Powers when circumstances were favorable."

Stresses Link to Paris.

"We on our part," the Prime Minister declared, "made it equally plain that close co-operation between Great Britain and France was the basis of British policy."

"We have made no concealment of our regret that Italy's relations with France should recently have deteriorated. The great barrier between France and Italy is the Spanish question, and until the civil war is over no negotiations between the two countries are likely to be productive."

Mr. Chamberlain said that Signor Mussolini emphasized that when the Spanish conflict was over "Italy would have nothing to ask from Spain." The Italian leader, he said, stressed that "Italy had no territorial ambitions, regards any portion of Spain as history."

Mr. Chamberlain quoted Signor Mussolini as saying that Italy intended to "stand loyally" by her obligations under the Anglo-Italian agreement. He said that the Italian Premier "did not hesitate to express the view that belligerent rights should immediately be granted to Gen. Francisco Franco, but reiterated willingness to abide by the British non-intervention plan."

Turns to Czecho-Slovakia.

Turning to Czecho-Slovakia, the Prime Minister said that Signor Mussolini indicated that "in principle he was prepared to accept the idea of a guaranty of the frontiers of Czecho-Slovakia against unprovoked aggression."

"We agreed to keep in touch with each other regarding the future development of the question of disarmament."

"Mussolini felt that the Jewish problem was an international one and could not be solved by any one

State alone," Mr. Chamberlain said.

Speaking of his visit to the Vatican on which he was accompanied by Foreign Secretary Viscount Halifax—Mr. Chamberlain added:

"It was a privilege which neither of us will easily forget to hear from the lips of his Holiness the expressions of the admiration and affection which he entertained for their Majesties and the peoples of the British Empire."

"We were deeply moved by the courage and humanity which animated his bearing and outlook."

Chamberlain Questioned.

Mr. Henderson asked whether Signor Mussolini's willingness to abide by the non-intervention

agreement meant that he would withdraw his troops from Spain "forthwith," since the Spanish Government had withdrawn all its foreign helpers.

Mr. Chamberlain replied, "It really does not mean that. It means that if and when the British plan which was adopted by the non-intervention committee comes into operation, he will do his part."

When Mr. Bellenger asked whether complete agreement was reached "on any subject," the Premier tartly rejoined: "I have given a full account to the House."

After the Prime Minister finished his statement on his Rome visit, Clement R. Attlee, leader of the Labor Opposition, rose to open debate on the Government's foreign policy.

"There is growing disturbance of mind" in Britain at the plight of Spanish Government refugees fleeing from Gen. Franco's Catalan advance, Major Attlee said, concentrating his attention on the Spanish war.

"There is a growing appreciation of the vital importance of the Spanish trouble for the future of liberty and democracy" and the security of Britain and France, he added.

Replying to Mr. Chamberlain's assertion that Signor Mussolini spoke of his desire for peace, Major Attlee said that the people of this country were more impressed "by the fact that Mussolini has been intervening for the last two and a half years in war."

Says Political Talks Failed.

He said the only value in the Rome trip was "the showing that there was a feeling in Italy among the mass of the people" for better relations with Britain.

The political talks, he said, achieved nothing effective.

"The really vital matter of what is occurring now in Spain was not discussed," Major Attlee said.

Mr. Chamberlain then rose to prolonged cheering for a reply to Major Attlee.

He said that Major Attlee had "confined himself to the topic of Spain, varied only by a few acid comments on the visit to Rome from which I have derived the impression that he is against it."

Conservative members laughed heartily.

Mr. Chamberlain said that "no one can read accounts of the pitiful procession of Spanish refugees without feeling once more what a terrible thing war is. Every one must have been touched by the accounts of help being given by the French to the refugees."

He said that the British Government in addition to an initial gift of £20,000 (about \$93,400) to the International Committee for the Assistance of Child Refugees, had donated a further £20,000.

"When the need arises I have no doubt that we shall be ready to do more," he said.

Replies to Criticism.

Replying to Major Attlee's criticism, the Prime Minister said, "This is not the moment to change the British Government's policy of non-intervention in Spain."

"I do not consider that the situation in Spain is a menace to the peace of Europe," he said.

"But most emphatically I do consider that if we abandoned the policy of non-intervention and if intervention on any considerable scale took place in favor of the Spanish Government, the Spanish situation would be a menace."

"From the beginning the Government's view was that if the policy of intervention had been continued and increased, sooner or later it would be bound to lead to an extension of the conflict and it has been the Government's aim to prevent that expansion."

He continued:

"In Rome Signor Mussolini expressed the view that it was absurd to say that Gen. Franco, who was in possession of three-quarters of Spain, was a rebel."

Won't Change His Stand.

"I am satisfied," he said, "that if the Government's policy is right, as I believe it to be right, it certainly is not now the moment to change it."

He said the Government was entitled to ask the opposition what it would do about intervention in view of its complaints.

Major Attlee jumped up and shouted across the Treasury box:

"I would restore to the Spanish Government their right to get arms as and where they can."

After stating that Britain had appealed to Gen. Franco to exercise all possible humanity in Catalonia, Mr. Chamberlain recalled that anticipations by some of a "terrible massacre" at the fall of Barcelona had not materialized.

Pays Tribute to French.

The British Prime Minister paid marked tribute to Anglo-French co-operation.

"The Rome visit has strengthened friendship between this country and Italy without weakening our relations with France which are closer and more intimate than they have ever been in our recollection and which are solidly based on mutual confidence," he said.

Belligerent rights had not been granted to Gen. Franco, he said, because the Spanish civil war was complicated by intervention of other Powers.

Defending the government's stand he said "we all know that Italian troops are fighting and Italian material is being used in the course of the conflict, but intervention took place before the non-intervention committee was set up and it would be a mistake to think that nothing is going through to the other side as well."

Speaks of Umbrella.

Opposition Liberal leader Sir Archibald Sinclair praised Chamberlain and his umbrella—which he

said were seen by vast numbers of people in Italy and Germany—as "symbols of decency, toleration and quietness which contrast favorably with the noise, twitter and self-assertiveness of the governors of the totalitarian States."

But he assailed Mr. Chamberlain's non-intervention policy.

"The Rome-Berlin axis is now to be seen across the map of Europe, a geographical and strategical reality dividing west Europe and east Europe; and Russia is alienated," he said.

"The Prime Minister says that our prestige is high... I say that he can not have read the United States newspapers."

Sir Archibald attacked the Prime Minister for failing to include in his speech an assurance to France of British support against Italian threats to French rights in the Mediterranean.

He branded as "hypocrisy and humbug" former Foreign Secretary Anthony Eden's promise at Geneva in December, 1937, that non-intervention would have to be reconsidered if it could not be made a reality.

Wants Pledges To Holland.

He advocated that Britain offer military guaranties now to Holland and Switzerland against unprovoked aggression.

The British Government's toleration of a situation in which the Spanish Loyalist Government got no arms while Italy and Germany sent the insurgents "overwhelming" amounts was described by Sir Archibald as "worse than a crime—a blunder."

Assessing that in the Spanish Government army of 200,000 men there were only forty heavy machine guns, he asked whether such a situation could compare with Italian and German intervention on behalf of Gen. Franco.

Fascist Women in Clash.

Meanwhile outside Commons women supporters of Sir Oswald Mosley's British Fascists and Spanish refugee women fought among themselves and with police. Fascist women used rolled newspapers as weapons.

There was a further disturbance when unemployed tried to take a coffin into the House of Commons as Mr. Chamberlain addressed the tense assembly. Three persons were arrested as a result of this demonstration.

Premier's Umbrella.

LONDON, Jan. 31 (A. P.).—Sir Archibald Sinclair, Opposition Liberal Leader, today praised Prime Min-

ister Chamberlain and his umbrella—which he said had been seen by vast numbers of persons in Italy and Germany—as "symbols of decency, toleration and quietness which contrast favorably with the noise, twitter and self-assertiveness of the governors of the totalitarian states."

But he attacked Chamberlain's nonintervention policy during the foreign policy debate in the House of Commons.

MARKETS ABROAD HIGHER ON SPEECH

London Traders Scramble for American Stocks.

LONDON, Jan. 31 (A. P.).—The London stock market swung upward in the aftermath of the speech of Chancellor Adolf Hitler, with prices advancing steadily in domestic and foreign issues today. German, Austrian and Czecho-Slovak government bonds rose 2 to 12 per cent, American industrial and railroad stocks were up fractionally to 8 per cent, and British industrial and South African mining shares generally were higher.

Brokers said that Herr Hitler's expression of his belief in a "long peace" ended uncertainty which for the past two weeks had forced market prices down to lowest points since the Munich crisis last September.

By mid-morning silk-hatted traders scrambled wildly to buy American securities on orders coming from all parts of Europe. The buying wave for "Americans" was heavier than for any other class of securities, but all prices were firm.

In Berlin the Stock Exchange took courage from Herr Hitler's speech, which buyers interpreted to mean further consolidation of German economy. The Fuehrer's optimistic forecast of a long period of peace resulted in heavy buying which sent prices up throughout the market.

PREMIER ASKS PEACE PROOF BY DICTATORS

Chamberlain Demands Willingness On Their Part To Cut FEB 1 1939

Government's Policies Upheld By Commons In Test Vote

[By the Associated Press]

London, Jan. 31—Prime Minister Neville Chamberlain today demanded that Europe's dictators produce "concrete evidence" of their "desire for peace" before "we can enter on the final settlement" of the European situation.

Willingness to disarm or limit armaments, Mr. Chamberlain said, would be proof of the dictators' peaceful intention. He added Britain was ready to contribute to a general solution.

Calls For Concrete Evidence

Addressing an opening session of the House of Commons just one day after Chancellor Adolf Hitler's moderate Reichstag speech, Mr. Chamberlain, commenting on the expressed peace desires of both the Fuehrer and Premier Benito Mussolini, declared with emphasis:

"What we want to see is not only words which indicate a desire for peace but, before we can enter on the final settlement, we shall want to see concrete evidence in a willingness, let us say, to enter into arrangements if not for disarmament, at any rate for a limitation of armaments."

Government Upheld, 258 To 133

At conclusion of the foreign affairs debate a motion for adjournment—in effect a test vote on the Prime Minister's policy of appeasement in Europe and non-intervention in Spain—was carried by the Government by a vote of 258 to 133.

While Mr. Chamberlain spoke of Britain's willingness to limit arms, he mentioned at the same time "enormous additions" to Britain's own defensive strength.

He answered critics of British rearmament progress by declaring "we are beginning now to see the results of our preparations on all sides."

Some observers saw this also as a sign he believed Britain's growing strength had influenced the Fuehrer's speech last night. Mr. Chamberlain was conciliatory and yet firm. It would be useless, he said, to start new discussions until confidence was restored.

Clinging to the main objective of his appeasement policy, which he said was steadily succeeding, the Prime Minister also echoed Chancellor Hitler's own words last night that statesmen should "devote themselves for a

time to improving the conditions of their own people."

Cites If Duce's Peace Desires

The Prime Minister publicly welcomed the tranquil parts of Hitler's speech and said he thought it was not that of "a man who is preparing to throw Europe into another crisis."

And he declared Premier Mussolini had told him in Rome during his visit there January 11-14 that Italy's policy was one of peace. But Britain wants "concrete evidence"—"not only words."

Citing a willingness to halt the armaments race as the form of evidence needed, Mr. Chamberlain declared "if the time comes and we can find a spirit corresponding to our own... we shall be ready to make our contribution to a general appeasement of Europe."

Replies To Labor Leader's Attack

The Prime Minister spoke three times twice in answer to questions on his speech and on the debate after the Labor leader, Clement R. Attlee, had attacked Britain's refusal to help the hard-pressed Spanish Government in the civil war.

Members of Parliament, returning from a recess since December 22, also showed relief from strain over recent war fears resulting from Spanish developments, Italian colonial claims against France and expectations

that Adolf Hitler would back these strongly in his Reichstag speech.

Confidence Not Easily Restored

Mr. Chamberlain, declaring Britain's prestige never was higher or her friendship more eagerly desired, said however, that "after this long period of uncertainty and anxiety in Europe confidence is not easily or quickly established."

He emphasized that "it is necessary that confidence should be restored before we can enter on a full settlement."

Mr. Attlee's attack dealt chiefly with the Spanish war, particularly Italian participation and British non-intervention, and with Mr. Chamberlain's visit to Rome. He said the visit was ineffective, and "the really vital matter of what is occurring now in Spain was not discussed."

Defends Policy On Spain

In reply, Mr. Chamberlain said: "... I do not consider the situation in Spain is, at this moment, a menace to the peace of Europe, but most emphatically I do consider the abandonment of non-intervention would be a menace and if intervention took place on any considerable scale the Spanish situation would be a menace."

After remarking "any government may choose to take sides with one or other of those different ideologies and we cannot prevent them," Mr. Chamberlain said:

"... Only the other day when we were in Rome we received fresh and repeated assurances from Signor Mussolini and Count Ciano (Foreign Minister) confirming what they had already told us that they had nothing to seek from Spain after the war was over.

Had Assurances From Hitler

"Of course, I had similar assurances from Herr Hitler."

At another point the Prime Minister said:

"Our visit to Rome has, I hope, strengthened the feelings of friendship between this country and Italy. At the same time it has not weakened our relations with France. Our relations with France are perhaps closer and more intimate than they have been in our recollection. ..."

The latter part of Mr. Chamberlain's speech was devoted to a discussion of Hitler's address. The Prime Minister said:

"... It (Hitler's Reichstag address) was a long speech."

"It touched on great many topics and covered a wide field."

"I do not pretend I have had time to examine with care every phrase in it but I can say this:

Gives Impression Of Speech

"I very definitely got the impression it was not the speech of a man who was preparing to throw Europe into another crisis. It seems to me there were many passages in the speech which indicated the necessity of peace for Germany as well as for other countries."

"We all have our domestic problems, our economic or financial problems, problems of unemployment in one country and other problems in other countries. None of us could be unsympathetic to the idea that the statesmen of the various countries should devote themselves for a time to the improvement of the conditions of their own people."

"I ventured to say in the speech to which Mr. Attlee referred that in my view there were no questions arising between nations however serious that could not be settled by conversation or discussed around a table. I repeat that now."

Must Ban Sinister Ideas

"I only add this qualification to it: It is no use to embark on discussions with a view to general settlement of differences, satisfaction of aspirations and removal of grievances unless those who undertake them are convinced that those who sit around the table want a peaceful settlement and have no sinister ideas at the back of their minds."

After this long period of uncertainty and anxiety in Europe confidence is not easily or quickly established.

"I say therefore that what we want to see is not only words which indicate a desire for peace but, before we can enter upon that final settlement, we shall want to see concrete evidence of a willingness, let us say, to enter into arrangements, if not for disarmament, at any rate for a limitation of armament."

Britain Then Will Be Ready

"If when that time comes we can find a spirit corresponding to our own elsewhere then I know this country would not be unhelpful and we should be ready to make our contribution to the general appeasement of Europe."

Sir Archibald Sinclair, leader of the Liberal opposition, in an attack on the non-intervention policy, said "the (Rome-Berlin) axis is now to be seen across the map of Europe, a geographical and strategical reality dividing

west Europe and east Europe, and Russia is alienated."

Refers To Opinions In U. S.

"The Prime Minister says that our prestige is high. I say that he cannot have read the United States newspapers."

This remark drew a retort from Brigadier Sir Henry Page Croft, who assailed Mr. Sinclair because he "even tried to make enmity between this country and the United States by suggesting that American opinion is against us."

Impressions gained during a recent trip to New York, he said, convinced him that "the American people are now closer to us in understanding than at any time within my experience."

President Roosevelt, he added, was "thinking along the same lines as we are."

Frederick John Bellenger, Laborite member, invited Mr. Chamberlain to deny that "time and again the leaders of Germany and Italy have broken their words." He asked why the Government was rearming and preaching national service.

which I derived the impression that he was against it.

As regards Spain, Mr. Attlee touched on two aspects of the conflict there. One of them was concerned with a matter of general policy. On that, of course, it is impossible to agree with him.

On the other aspect, which I may call the humanitarian aspect, there is no difference between him and us.

No one can read the account of the pitiful procession of wounded men, old men, women and children, some of them mutilated, struggling up the mountains which divide France from Spain, in conditions of bitter hardship, snow, wind and rain, and then herded together in such shelters as can be provided for them—no one can read all that without feeling what a terrible thing war is, even in its secondary effects.

Every one, I should hope, will feel how unfortunate it would be if the area of the conflict should be extended and that the people and children of other countries should be compelled to undergo sufferings like those now being endured by the people of Spain.

French Praised for Help

I think everybody must have been touched by the accounts of the help which is being given by the French to these unfortunate refugees.

It must indeed be a difficult position for the people in the South of France, with very little accommodation to offer, to find themselves in the presence of these thousands and thousands of strangers coming to ask for their help."

It does seem they have done everything they could do in those circumstances. All honor to them!

We here are further off. We are not in geographical proximity to the Pyrenees, but the British Government have done and will continue to do what they can to help.

I understand the French Government has arranged with the Spanish Government for an area near the frontier where refugees can be concentrated, and if they can obtain assurances from the Spanish Government that this area will not be used for war purposes I hope it will be possible to

sion is going to Catalonia to try to arrange with the Spanish Government for safety zones for women, children and old people, and I hope similar assurances may be available from both sides.

Inquiries are being made as to the possibility for arranging for refugees who have been separated from their homes by the fighting lines to return.

The government has already addressed to General Franco an appeal to exercise all possible humanity in the circumstances which prevail in Catalonia.

Probably members have heard before the fall of Barcelona that many people anticipated that its fall might be followed by a terrible massacre. Well, nothing of the kind has happened.

[At this point Ellen Wills, Laborite, interjected: "What about the refugees?"] I should have thought the hon-

orable members opposite might have given thanks. I have already answered about the refugees and I have no further information.

I turn now to the general question on the government's policy in Spain.

Intervention in Spain had taken place before the setting up of the Non-intervention Committee and that, I think, is a fact sometimes forgotten by the members opposite.

We regretted it and we have done our best not only to prevent more intervention but to try if possible to get those foreign troops who had entered Spain withdrawn.

We made a clear statement at the beginning that our fear was that if the policy of intervention was continued and increased, sooner or later it was bound to lead to an extension of the conflict, and it has been our aim to prevent that extension.

I am quite satisfied that if our policy was right, as I believe it to have been right all along, it certainly is not now the moment to change it.

We have heard a great deal of

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I think it is perfectly obvious that if intervention took place on the side of the Spanish Government it would have to be on a considerable scale if it were to alter the state of affairs in Spain.

The attitude of the Opposition seems to be that it is possible to have considerable intervention for the Spanish Government without any corresponding assistance on the other side.

So far as this country is concerned, the question of sending arms to Spain is very difficult because obviously we want all the arms in our possession for our own purposes.

It must be for other governments to decide their own action and their own policy, and in the light of the circumstances which exist.

Inconsistency Denied

I am accused by Mr. Attlee of some sort of inconsistency because some time ago I said I no longer considered the situation in Spain to be a menace to Europe. I fail to see where any inconsistency arises.

I do not consider the situation in Spain to be a menace to the peace of Europe, but most emphatically I do consider that the abandonment of non-intervention would be a menace and that if intervention took

place on any considerable scale the Spanish situation would be a menace.

The leader of the Opposition has not brought forward any evidence to show there is intervention on a great scale, unless he means what of course we all know, that Italian troops are fighting and Italian material is being used in the course of the conflict. Intervention took place before the Non-intervention Committee was set up.

The inference is that nothing is going in on the one side. Mr. Attlee has said more than once that there is no going in on the one side than on the other.

I repeat that in my view a reversal of the policy of non-intervention must inevitably lead to an extension of the conflict in Europe. And that is against the policy which has been followed and will be followed by His Majesty's Government.

We have endeavored to maintain an attitude of impartiality.

There was a firm conviction on the part of the Opposition, when we announced we were going to pay a visit to Rome, that we were going for the purpose of granting belligerent rights to General Franco. They have protested most violently against any such idea and I can only conclude they thought that if we did give belligerent rights to General Franco it would be very much to his advantage. We did not.

The reason why we refused to grant belligerent rights to General Franco was on the ground that this was not a civil war merely but the matter was complicated by the intervention of foreign powers on one side or the other. Throughout we have en-

deavored to maintain the attitude of impartiality.

Mr. Attlee has devoted some time to painting a picture of the threat to British and French interests if General Franco won a victory. That is based upon the assumption that after the victory Italy or Germany or both would be found in possession of Spanish territory.

[Mr. Attlee intervened to say that the point he had made was whether the Spanish peninsula would be under the control of the axis powers. The Prime Minister retorted that that was more vague than Mr. Attlee's previous statement.]

[Mr. Attlee then said his argu-

ment was that, apart from the question of the occupation of Spanish territory, the economic domination of Spain by Hitler or Mussolini and the general subservience of the country would be dangerous to the strategical position of Britain.]

Any government may choose to take sides with one or the other of these different ideologies and we cannot prevent them.

What Mr. Attlee is saying is, "I do not believe in the assurances given by Signor Mussolini and Herr Hitler."

I should think the worst way in which to insure that a man who had given his word would keep it would be to tell him, "I do not believe a word you say and I will base all my actions on the assumption that you are not telling the truth."

I do not think that would be a wise way of carrying on diplomacy.

I am certain Mr. Attlee is mistaken. Let me remind him that only the other day, when we were in Rome, we received fresh and repeated assurances from Signor Mussolini and Count Ciano [Italian Foreign Minister] confirming that they had already told us that they had nothing to seek from Spain after the war was over.

Of course, I had similar assurances from Herr Hitler.

Exaggeration Is Opposed

I ask myself why it has become a habit of members opposite to take the worst possible view of the motives and intentions of other people. If they go on frightening themselves by feeding their imagination on improbable hypotheses, in the end they make themselves ridiculous.

They exaggerate all the gloomy

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aspect of affairs still more by constantly deprecating all our own efforts to rearm ourselves. They leave out of account all suggestion that we have vast resources, although everybody knows it, which probably, if we were ever engaged in a life-and-death struggle, would insure us victory in the end.

They take no account either of the alliances and friendships which we have with other countries.

It is a habit of mind and speech which leads to a great amount of unnecessary distress in the minds of people at home, and may well lead to very dangerous misunderstandings abroad.

It is not true that the great efforts which we have made in rearmaments have been offset by other considerations. It is true, of course, that the amount of preparation we had to do before we could make substantial and visible progress in rearmament was enormous.

But it was rather like what goes on when a building is being erected. Boardings are put up and you cannot see the actual foundations being laid. That part of the work is finished and the steel structure goes up visibly day by day.

So we are beginning now to see the results of the long preparation, and I think the public is realizing that our efforts have resulted in an enormous and ever more rapidly increasing addition to our defensive strength.

As to our prestige abroad, it

has never stood higher than it does today. There never was a time when our friendship was more generally desired and sought by other countries.

It is untrue to say, as was stated by Mr. Attlee in a newspaper article, that the policy of appeasement has failed. On the contrary, I maintain it is steadily succeeding.

Mr. Attlee complains that nothing effective was done at Rome. Well, only a little while ago he complained that something effective would be done.

Our visit to Rome has, I hope, strengthened the feelings of friendship between this country and Italy. At the same time it has not weakened our relations with France.

Our relations with France are perhaps closer and more intimate than they have been in our recollection, and they are solidly based now on mutual confidence multiplied many, many times over. Each of us can look not merely calmly but with favor at the friendships which the other makes. We saw with the greatest satisfaction the conclusion of the declaration between France and Germany.

Text of Chamberlain's Speech

LONDON, Jan. 31 (P).—Following is the text of Prime Minister Neville Chamberlain's speech in the House of Commons today in reply to that of Clement R. Attlee, Opposition leader.

The leader of the Opposition in his observations has confined himself to a single topic of Spain, varied only by a few acid comments on the visit to Rome, from

obtain similar assurances from General Franco.

We have already made a contribution to the International Commission for the Assistance of Child Refugees in Spain.

We have paid £20,000 to the commission and we have put a further £20,000 at its disposal, and when the need arises I have no doubt we shall be ready to do more.

Safety Zones Sought

A representative of the commis-

mission and criticism upon the working of the non-intervention scheme from the members opposite. Mr. Attlee keeps on telling us intervention is still taking

place and he suggests the government is maintaining that there is no intervention, although we have never maintained any such thing.

I think we are entitled when these complaints are about intervention, what in the same contingencies would the Opposition do?

...have another example of a perpetual highly exaggerated fears and prophecies published in parts of the press and voiced by some people about what Herr Hitler was going to say in his speech last night.

It was a long speech. It touched a great many topics and covered a wide field. I do not pretend that I have had time to examine with care every phrase in it, but I can say this:

I very definitely got the impression that it was not the speech of a man who was preparing to throw Europe into another crisis. It seemed to me that there were many passages in the speech which indicated the necessity of peace

for Germany as well as for other countries.

Domestic Problems Cited

We all have our domestic problems, our economic or financial problems, problems of unemployment in one country and other problems in other countries.

None of us could be unsympathetic to the idea that the statesmen of the various countries should devote themselves for a time to the improvement of the conditions of their own people.

I ventured to say in the speech to which Mr. Attlee referred that in my view there were no questions arising between nations, however serious, that could not be settled by conversation or discussion around a table. I repeat that now.

I only add this qualification to it: It is no use to embark on discussions with a view to general settlement of differences, satisfaction of aspirations and removal of grievances unless those who come to the table are all convinced that all those who sit around it want a peaceable settlement and have no sinister idea in their minds.

After this long period of uncertainty and anxiety in Europe, confidence is not so quickly established.

I say, therefore, that what we want to see is not only words which indicate a desire for peace, but—before we can enter upon that final settlement we shall want to see some concrete evidence in a willingness, let us say, to enter into arrangements for, if not disarmament, at any rate a limitation of armaments.

If when that time comes we can find a spirit corresponding to our own elsewhere, then I know this country would not be unsympathetic and we should be ready to make our contribution to the general appeasement of Europe.

The House will expect to hear from me some account of the visit which the Secretary of State for Foreign Affairs and I recently paid to Rome.

The genesis of this visit is already known to the honorable members. I need only say I welcomed the opportunity afforded by Signor Mussolini's invitation to renew the personal contacts established with him at Munich.

On our way through Paris we saw the French Prime Minister and Foreign Secretary at the Quai D'Orsay, where a discussion of matters of mutual interest fully confirmed the general identity of views already established between our two governments.

On our arrival at Turin we were met by an official from the Italian Ministry of Foreign Affairs who was attached to us during the whole of our stay on Italian soil.

I should like to say here that the arrangements for our comfort and convenience throughout our visit were carried through with a thoughtful consideration and an efficiency which could not be surpassed and which we deeply appreciate.

Official Welcomes Praised

The official welcomes extended to us both at Genoa on our arrival and at Turin on our departure were striking in their sincerity and we much appreciated the arrangements made to enable us to greet and be greeted by members of the British colony wherever we went.

The honorable members will have read in their newspapers accounts of the warmth of our receptions in Rome.

Both the Foreign Secretary and myself were equally gratified by the warmth of the welcome afforded us by Italian officials and touched by the spontaneity with which the Roman population evinced their enthusiasm, thus demonstrating both their pleasure at the renewal of Anglo-Italian friendship and their approval of our efforts for the maintenance of peace.

The program arranged for our visit is known to you all.

The best tribute I can pay to its organizers is to say that it proceeded without a hitch, and that we saw the people and things we would most have liked to see in the brief time at our disposal.

I should like to repeat here once more that I endeavored to convey

us, not only in Rome but throughout the course of our journey.

The Foreign Secretary and I had two long conversations with Signor Mussolini and Count Ciano on Jan. 11 and 12 at the Palazzo Venezia.

Atmosphere of Frankness

These conversations were conducted in an atmosphere of complete frankness.

It was not expected that either side would accept all the arguments and points of view put forward by the other.

But though we are not able to report that we were in agreement on all points, we did achieve our purpose, since when the conversations were over each side had a clearer insight than before regarding the other's standpoint.

In no sense whatever was there anything in the nature of a formal conference or negotiation.

This, indeed, as the honorable members are aware, was not our object in accepting Signor Mussolini's invitation.

Our discussions were exploratory and informal and it would therefore be a discourtesy to the Italian Government to divulge in detail what passed.

Signor Mussolini, first and foremost, made it clear that the policy of Italy was one of peace and that he would gladly use his influence in favor of it if at any time the necessity arose.

Italy desires peace from every point of view and not least from the general stability of Europe.

I have no hesitation, however, in giving the House the following general impression which resulted from our conversations, and I may add that in doing so I have the consent of Signor Mussolini and Count Ciano.

I would remind the House that Signor Mussolini gave proof last September both of his willingness

and of his ability to intervene in favor of peace.

It was therefore very welcome to hear his assurances that his services could again be relied upon in case of need.

Our host also made it clear that the Berlin-Rome axis was an essential point of Italian foreign policy but that this did not imply that it was impossible for Italy to have the most friendly relations with Great Britain and with other powers when circumstances were favorable or that good relations were not possible between Germany and France.

We on our part made it equally plain that close cooperation between Great Britain and France

Italy's intention to stand loyally by her obligations under the agreement.

We were able to take note that on the eve of our visit to Rome an important step had been taken for the carrying out of this agreement in the exchange of military information which had been effected in accordance with its provisions.

Talk of Boundary Changes

We agreed to proceed forthwith to the mutual discussion of the adjustment of boundaries between Italian East Africa on the one hand and the Sudan and British adjacent territories on the other as provided for in the protocol to the Anglo-Italian agreement.

So far as the Sudan is concerned, the Egyptian Government will naturally participate in the forthcoming negotiations.

We made no concealment of our regret that Italy's relations with France should recently have deteriorated.

It was clear to us from subsequent discussions that the great barrier between France and Italy was the Spanish question and that until the civil war was over no negotiations between the two countries were likely to be productive.

At the same time Signor Mussolini emphasized that when the Spanish conflict was over Italy would have nothing to ask from Spain and in further discussions with the Foreign Secretary on this point Count Ciano spontaneously reaffirmed the assurance

already given to his majesty's government that Italy had no territorial ambitions as regards any portion of Spain.

Signor Mussolini did not hesitate to express the view that beligerent rights should immediately be granted to General Franco, but he reiterated his willingness to stand by the British plan which had been adopted by the Non-Intervention Committee.

As regards the guarantee to Czechoslovakia, Signor Mussolini indicated that in principle he was prepared to accept the idea of a guarantee of the frontiers of Czechoslovakia against unprovoked aggression, but he thought there were three questions that had to be settled first—the internal constitution of Czechoslovakia itself, the establishment of her neutrality and the delimitation of her frontiers on the ground.

We had a useful discussion on the subject of disarmament, from which it emerged that Signor Mussolini favored an approach to

ture developments on this question.

With regard to the Jewish problem, it was clear that Signor Mussolini felt the matter was an international one which could not be solved by any one State alone and which must be treated on broad lines.

Report on Visit to Pope

No account of this visit of ours to Rome would be complete without some reference to our reception by His Holiness the Pope and the Cardinal Secretary of State at the Vatican on Jan. 13.

It was a privilege which neither of us will easily forget to hear from the lips of His Holiness the expressions of admiration and affection which he entertained for their Majesties the King and Queen and for the people of the British Empire.

Nor could we doubt the sincerity and depth of His Holiness's preoccupation with many of the problems which are troubling in these days, the peace of Europe, the conscience of mankind.

We are deeply moved by the courage and humanity which animated his bearing and outlook.

BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JAN. 31.—EUROPE'S MAN-IN-THE-STREET--THAT PATIENT PLODDER

WHO, LIKE HIS BROTHERS IN OTHER PARTS OF THE WORLD, PAYS THE TAXES AND FIGHTS THE WARS--HAS COME IN FOR SPECIAL RECOGNITION THAT ISN'T IN THE NATURE OF A POSTHUMOUS MEDAL FOR VALOR IN BATTLE.

PEACE-SEEKING BRITISH PREMIER CHAMBERLAIN HAS INTIMATED IN SUBSTANCE THAT THE LITTLE FELLOW IS IN THE LONG RUN RULER OF HIS COUNTRY, GOVERNMENTS NOTWITHSTANDING.

ACHIEVEMENT OF PEACE THROUGH APPEAL TO THE CITIZEN-IN-ORDINARY RATHER THAN TO THOSE WHO RULE HIM HAS BECOME A PART OF THE NEW BRITISH POLICY OF FIRMNESS TOWARDS THE TOTALITARIAN CHIEFTAINS.

A MONTH AGO IN LONDON I LEARNED THAT THIS LINE WAS TO BE PURSUED WITH GREATER VIGOR. IT IS INTERESTING, THOUGH NOT SURPRISING, THEREFORE TO GET PUBLIC CONFIRMATION FROM THE PREMIER HIMSELF.

Text of Chamberlain's Report on His Rome Talk

LONDON, Jan. 31 (P.)—The report of Prime Minister Neville Chamberlain's report to the House of Commons on his visit to Rome follows:

to Signor Mussolini in the telegram which I sent him on leaving Italy: My warm thanks to him personally and my deep appreciation of the welcome accorded to

was the basis of British policy. As regards the Mediterranean, Signor Mussolini expressed satisfaction with the terms of the Anglo-Italian agreement and repeated emphatically that it was

the question by way of qualitative limitation in the first instance when conditions were more favorable for discussion. We agreed to keep in touch with each other regarding the fu-

THIS CAME IN CHAMBERLAIN'S STRIKING SPEECH AT BIRMINGHAM, ENGLAND SATURDAY NIGHT. THAT MANUFACTURING CITY LONG HAS BEEN THE STRONGHOLD OF THE POLITICAL BRANCH OF THE CHAMBERLAIN FAMILY OF NOTABLES. MANY GREAT AND FRANK SPEECHES HAVE BEEN DELIVERED THERE BY THE FAMOUS JOE CHAMBERLAIN, OF THE PAST GENERATION, AND HIS TWO DISTINGUISHED SONS, THE LATE SIR AUSTEN AND THE PRESENT PREMIER.

THE PRIME MINISTER IN SPEAKING OF HIS RECENT VISIT TO ROME, DESCRIBED THE "PASSIONATE DESIRE OF THE ITALIAN PEOPLE FOR PEACE." THAT DESIRE, HE CONTINUED, WAS MATCHED IN ENGLAND, IN FRANCE AND IN GERMANY--

INDEED, IN EVERY COUNTRY OF THE WORLD. THEN CAME THE REAL POINT:

"I DO NOT EXCLUDE THE POSSIBILITY THAT THESE FEELINGS OF THE PEOPLES MAY NOT ALWAYS BE SHARED BY THEIR GOVERNMENTS, AND I RECOGNIZE, OF COURSE, THAT IT IS WITH GOVERNMENTS AND NOT PEOPLES THAT WE HAVE TO DEAL. NEVERTHELESS, LET US CULTIVATE THE FRIENDSHIP OF THE PEOPLES, AND THAT CAN BE DONE BY INDIVIDUALS AND TRADERS AS WELL AS BY MORE OFFICIAL REPRESENTATIVES."

WHAT THE PREMIER APPARENTLY MEANT WAS THE EMPLOYMENT OF MISSIONARY WORK AND PROPAGANDA AMONG THE PEOPLE IN AN EFFORT TO INFLUENCE THE MAN AT THE TOP. THAT WAS NEWS TO THE GENERAL READER. THE PREMIER, HOWEVER, WAS ANNOUNCING A PROGRAM THAT ALREADY WAS UNDER WAY.

MR. CHAMBERLAIN PRESUMABLY IS WORKING ON THE DEMOCRATIC THEORY THAT THE PEOPLE OF ANY COUNTRY EVENTUALLY WILL DETERMINE THE FORM OF GOVERNMENT UNDER WHICH THEY LIVE.

IT IS TRUE THAT, WHILE THE PRESENT TOTALITARIAN STATES HAVE KNOWN VIRTUALLY NO DEMOCRACY IN THE PAST, THE TEMPER OF THE GENERAL PUBLICS HAS A MARKED INFLUENCE ON THE POLICIES OF THE DICTATORS. LET NO ONE BELIEVE FOR INSTANCE, THAT THEY DO NOT

WATCH THE TREND OF PUBLIC OPINION. THESE LEADERS KEEP THEIR FINGERS CONSTANTLY ON THE PULSE OF THE POPULACE. THEIR POLICIES MAY NOT ALWAYS PLEASE THE PEOPLE. 775

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POPULACE. THEIR POLICIES MAY NOT ALWAYS PLEASE THE PEOPLE. BUT NONE WOULD BE LIKELY TO COMMIT VIOLENCE ON PUBLIC OPINION. THEY GO SO FAR AND THEN STOP.

THESE THEN ARE THE FACTS WHICH SEEM TO HAVE INSPIRED ENGLAND TO DEVOTE MORE ENERGY TO CULTIVATING THE PUBLICS OF THE TOTALITARIAN STATES.

MR. CHAMBERLAIN WOULD SEEM TO BE VERY RIGHT IN SAYING THAT THE PEOPLES OF ALL COUNTRIES WANT PEACE. DURING A RECENT TOUR OF EUROPE, INCLUDING GERMANY AND ITALY, I FOUND THE PUBLICS EVERYWHERE EAGER FOR PEACE.

FEB 1 1938

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PARIS, JAN 31-(AP)--THE SOCIALIST DELEGATION IN THE CHAMBER OF DEPUTIES TODAY SIGNED A RESOLUTION URGING THE FRENCH GOVERNMENT TO CALL AN INTERNATIONAL PEACE CONFERENCE "ALONG LINES SUGGESTED MANY TIMES BY PRESIDENT ROOSEVELT."

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PRESENTED BY THE LARGEST PARTY IN THE CHAMBER, THE RESOLUTION DECLARED THAT THE FIRST WORK UNDERTAKEN BY SUCH A CONFERENCE SHOULD BE TO OBTAIN WITHDRAWAL OF GERMAN AND ITALIAN TROOPS FROM SPAIN.

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Helping Democracies Is U.S. Foreign Policy, F. D. Secretary Admits

President Tells Military Affairs Committee Of Aid To France

Row In Offing

Sale Of Planes Abroad Is Defended—Army Secrets Are

By CHARLES L. TURNER
Washington, Jan. 31 (AP)—President Roosevelt swore the Senate Military Affairs Committee to secrecy today and then informed it, according to reliable sources, that America was selling military aeroplanes to France because helping the democratic nations of the world was part of the present American foreign policy.

The Chief Executive later told newspapermen that in making such sales no military secrets were divulged. The transactions, he added, had the double purpose of reducing unemployment and helping idle aircraft factories through an experimental period of mass production in preparation for the big domestic rearmament program that lies ahead.

TAKES "WITNESS CHAIR"

For nearly a week, the committee had been investigating deals reported to involve the sale of some \$65,000,000 worth of privately-manufactured aircraft to France. It had received testimony that government officials had co-operated with a French mission sent here to buy planes from American factories.

Today Mr. Roosevelt invited the entire membership to the White House to hear his version of the transaction. It was, in effect, a continuation of the investigation conducted in the President's own office. Mr. Roosevelt, it was said,

simultaneously presided and took the "witness chair."

Although those present were sworn to secrecy, what took place

was not a secret for very long. It was apparent, first of all, that members of the committee who had criticized the transaction were still critical, although the President told newsmen that he thought everyone was satisfied. In addition, there was obviously a row brewing over whether the investigation should be continued or dropped at once.

Mexican Issue Raised

Affable and genial throughout the session, the President was said to have told in detail how the transaction was arrived at, and to have stressed not only the foreign policy aspect but also those of unemployment and rearmament here.

At one point, he turned to the question of Nazism in Latin America, it was reported. He expressed concern and said that increased trade with the Latin-American nations should be encouraged to offset it. Senator Reynolds (D-N.C.) interrupted, objecting to what he called Communism and seizure of oil wells in Mexico, and demanding that the United States take steps to offset that. The President replied that his government was studying the question and reminded Reynolds that Mexico had promised to pay for the oil wells.

The interview apparently left in the minds of those who had criticized the aeroplane deal a question of what lengths, if any, the President was committed in his assistance to the democratic nations. Some senators said they were convinced, however, that no working arrangement had been perfected.

Sworn To Secrecy

In this connection some recalled that Prime Minister Chamberlain of Great Britain said last week that Britain and France had the help of the United States, and that today Guy La Chambre, French air minister, told the Chamber of Deputies that France was receiving "the best aeroplanes in America" and "owes this fact to President Roosevelt."

Mr. Roosevelt told reporters, at his regular press conference, that he had sworn the committee members to secrecy because he thought that was a good thing to do. The disclosure of military secrets had never been an issue, he added, although some persons had expressed wonder about it.

A reporter asked whether the government would have sanctioned

plane sales to Germany and Italy. The President said he could not reply. The question, he added, was hypothetical since no such orders had been received.

Another questioner wanted to know whether the United States could not go into mass production of planes of the type now being built. Mr. Roosevelt's response was that this was inadvisable because many planes now in production were obsolete.

One reporter said that while he was sitting in the office of Marvin McIntyre, presidential secretary, he heard applause coming from the room where the President and the senatorial committee were conferring. He wanted to know what that meant. The President simply shook his head.

Guam Plans Delayed

Meanwhile, the House naval committee received additional assurances from the Navy Department that it had no intention of fortifying the Pacific Island of Guam at this time.

Charles Edison, assistant secretary of the Navy, said that while the Navy hoped it never would have to fortify the island, the proposed expenditure of \$5,000,000 to improve facilities for handling aeroplanes there would "add materially to the defensive power of the fleet."

Edison declared the project was justified solely from the standpoint of the assistance it would lend to commercial transpacific aviation and should be regarded as an improvement of a natural resource. He said he saw no reason why it should provoke criticism from any foreign power.

Committee members who had been critical of the project on the ground that it might be the first step toward establishment of a major naval air base close to the Japanese mainland, hailed Edison's statement as "greatly clarifying" the issues.

French Acclaim Given Roosevelt For Plane Sales

Air Minister Says France Gets 'Best' Craft and Has 'Priority' For Its Orders

PARIS, Jan. 31.—Air Minister Guy La Chambre paid tribute in the Chamber of Deputies today to President Roosevelt, whom he declared responsible for France's receiving "the best airplanes of the United States."

He referred to orders for 300 Curtiss pursuit planes, saying such purchases were necessary to supplement French production. He added that France had "priority for its orders" in the United States and thanked Mr. Roosevelt for his "benevolent perspicacity."

"I cannot allow criticism of our purchases abroad which are possible only because the great American democracy is giving its entire help—because in serving France it is serving the cause of peace," the Air Minister declared.

Some Deputies had criticized the policy of buying planes in America.

Armand Pilot, a Communist Deputy, said: "It is a pity that France did not act toward republican Spain as President Roosevelt is acting toward us."

The Chamber Air Committee recently went on record against purchase of planes in the United States unless they were tested to meet French standards. Several Deputies asserted on that occasion that American-made planes were inferior to the French.

La Chambre acknowledged that the number of planes produced by France in January just "exceeds ninety machines." Germany is said to be producing 1,000 monthly and Britain 400. The purchases in the United States, he explained, were necessary to fill the gap for the time being.

From the aviation debate the Chamber turned to the formality of renewing the two-year term of compulsory military service law passed in 1935. This was done unanimously.

Charlie des Isnards, reporter for the Chamber Army Committee, said France must increase her standing army by 100,000 men in the next few years because of the "confirmation of the Berlin-Rome axis."

(Italian newspapers interpreted Chancellor Hitler's pledge to line up with Italy if she is attacked as converting the axis into a virtual military alliance.)

Estimating the present French army in Europe at 400,000 men, the report said Germany has 500,000 under arms and Italy as many as France. He said Germany had thirty-five anti-aircraft regiments, whereas France had only six.

"Our military organization must be solidly equipped if we are even to parry this double threat and protect our own territory," Des Isnards asserted.

Pilot reproached La Chambre with having secured financial credits of 640,000,000 francs (\$17,000,000) in December while "refusing all information on its use to the Chamber."

The Communist party objected to the purchase of planes in America, "although 100 machines ordered a year ago have not been delivered," he said, but the action weakened the franc by exporting capital.

IN RESPONSE TO THE DEMANDS OF SEVERAL DEPUTIES THAT LA CHAMBRE

ORCE AMERICAN MANUFACTURERS TO PUT THEIR PLANES THROUGH TESTS I

RANCE, THE AIR MINISTER HEATEDLY DECLARED:

"GENTLEMEN, YOU HAD BETTER MAKE UP YOUR MINDS. EITHER WE WILL

GIVE ORDERS TO FOREIGN FIRMS OR WE WILL NOT, BUT TO ASK AMERICAN

MANUFACTURERS TO BRING THEIR MODELS TO FRANCE IS A SURE WAY OF

GETTING ONLY THE PLANES WHICH ARE NOT ORDERED BY ANYBODY."

FEB 1 1939

Aircraft Sales Provoke Storm Of Controversy; Senators Assail Policy

Opponents Of "Aid To Democracies" Plan Berate Roosevelt "Road To War"

berated the administration for throwing a cloak of secrecy over the transaction.

"Good God," Senator Johnson (R-Calif.), veteran Senate isolationist, shouted at one point, "don't you think the American people have the right to know if they are going down the road to war?"

The administration's course was stoutly defended by Senator Barkley (D-Ky.), the Democratic leader.

Barkley Defends Trade With Friendly Powers

As U. S. Cuts 1939

Washington, Feb. 1 (AP)—The sale of American warplanes to France stirred up a storm of argument in the Senate today as Congress weighed the implications of a foreign policy frankly aimed at helping the democracies of the world arm themselves against the dictator States.

While German newspapers denounced President Roosevelt as a leading "war agitator" and applause was heard in Paris and London, one senator after another arose to condemn the transaction in some times tense and bitter language.

CONDEMN SECRCY

They objected that it involved the United States directly in the threatening affairs of Europe, and opposed giving other nations the benefits of American military progress. And, even more severely, they

against opponents who sought constantly to interrupt with replies to his arguments. He contended that there was nothing in the proposed sale of planes to a friendly power that might be expected to carry the country into war.

"We might as well say that the United States Steel corporation could not sell steel to England or France that might later be transferred into some kind of military equipment for use in time of war," Barkley said.

Follows Precedent

In addition, he held that no revelation of American military secrets were involved, and asserted that the Senate's military committee, in holding secret hearings upon the circumstances of the sale, was merely following congressional precedent.

The committee was invited to the White House by President Roosevelt yesterday, and the chief executive, after exacting a pledge of secrecy from the membership, asserted that this country was prepared to sell, not only planes, but other munitions to democratic States so long as they paid for them in cash.

who attended were in disagreement as to how far the President had gone in outlining the foreign policy involved. One senator said Mr. Roosevelt had asserted that in the event of a European war, the frontiers of the United States would be in danger. This was emphatically denied by another, an administration supporter.

Sees War Inevitable

Others quoted the President as having said that in the past England and France were America's first line of defense and that unless America helped those nations now